Daily Report

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Cuba

Civil Aeronautics Institute Announces Hijacking

FL1511184693 Havana Radio Rebelde Network in Spanish 1823 GMT 15 Nov 93

[Text] During the early morning hours today, a single-engine An-2 plane belonging to the national enterprise Aviacion Agricola was hijacked from Camaguey Airport by two pilots of the enterprise, who, carrying handguns and accompanied by other individuals, overcame the guard and the (CBP) guarding the aircraft. In carrying out this vile act of hijacking and in flying the aircraft to U.S. airspace, Alvaro Marcial Hernandez Dominguez and Manuel Alvarez Cardenas have become traitors to the fatherland.

Signed: Cuban Civil Aeronautics Institute.

Havana Radio Reports Clinton Comment on Blockade

PA1411025993 Havana Radio Havana Cuba in Spanish 0000 GMT 14 Nov 93

[From the "Cuban Panorama" newscast]

[Text] U.S. President William Clinton said that the problem of the blockade imposed on Cuba for more than 30 years will be solved during his administration, but the issue of the political status of Puerto Rico is much more complex. Clinton thus answered a question asked in Washington by Puerto Rican artist Dennis Mario Rivera, who availed himself of the opportunity when he received an award from the U.S. President.

Castro, Delegates Comment at Havana PCC Meeting

FL1511232293 Havana Tele Rebelde Network in Spanish 0135 GMT 11 Nov 93

["Summary" of comments by President Fidel Castro, City of Havana Historian Eusebio Leal, and unidentified delegates at the Havana Communist Party of Cuba [PCC] Assessment Meeting in Havana Convention Center on 6 and 7 November; monitored in progress—recorded]

[Text] [Castro]...tourism is gold, because hard currency can be exchanged for gold. That is what the country needs to import those things we need so much. Faced with this situation, are we taking advantage of those resources effectively? How many problems are we trying to solve at once?

The mobilization of workers to work in agriculture is marvelous, but I ask myself whether a tourist center should have one worker more than it needs. I imagine that those workers also eat plantains. If they have 8,000, the agriculture of Havana is not enough. If they have 638 instead of 600, 500, 400, or 350 workers, we must feed them all and it is more expensive.

I say to myself: If a tourist center such as the [words indistinct], it must have a highly inflated roster to be able to send approximately 430 workers to work in agricultural tasks in the city. Should we distinguish between one type of center and another? But then I realize that they sponsor this or that child care center; they sponsor and support who knows which school; they take care of who knows how many other things. Is that the proper direction for our work and should all this revolve around that center's unending need for workers? She said something interesting: They have sold 10 million [not further specified]. This means that the decision was correct. It should have been even more correct but we were not insightful enough.

We were building that entire edifice with professional builders. But since we are so mediocre, or we have been so many times, we did not have enough professional builders to convert all that project. It could have been a center that would produce $30 million or $40 million a year. When we look at it, minibrigades were introduced in order to complete it. When it was turned over to minibrigades, the percentage that corresponds to the minibrigades went to the minibrigades. That should have been a great scientific center that would have self-financed its construction cost every two years. Our real goal was to recover the money we had invested in the Pan-American Games, which, as you know, we discussed at length.

We discuss everything here and that was discussed. That was a commitment. We had to build that regardless of the cost because we had been struggling for the Pan-American Games for many years. That was a political battle. We had to do it. We wanted to do it. But when we went to see how we could convert this into a small gold mine, we should have built the whole thing as a tourist installation and modified it with warehouses and the things necessary for a tourist center.

One day I estimated that we could have grossed $40 million per year. It, alone, every two years would have paid for the cost of the Pan-American Games. Of course, it was not done that way. A political problem even developed because, obviously, once the minibrigades went in, they were governed by the principle that they were entitled to a certain amount of what they built; so there was no backing out. Despite this, it took many explanations, because they said it was 30, 20, or 15 percent. The fact is that it was half completed when it was given to them. Despite this, [coughs] 30 percent was lost to them [coughs] more employees [words indistinct].

I believe it is a great mistake that 47 apartments were dedicated to that. Occupations are another thing. The occupations are mistakes made by the tourism institutes. Not only the director of the institute but also the National Institute of Tourism [Intur] should answer for those examples of shoddiness. The institution in charge should answer for this. That is not tourism; it is a caricature of tourism. It seems to me that there we are doing it wrong, just as we are doing in many other tourist

sites, by forgetting the principle that the goal of tourism is to dig for gold so that the country can live. This is how we have to look at this, very clearly.

This way, we can save one of those children that we have saved. We are 9.8 or 8.9. Was that the figure you said? Then it is of immeasurable importance. The work in tourism has political importance because we must confront vices and problems and the influence of the western world. Each tourist center must be a bastion. Since that is one, it has not been marketed sufficiently.

We should also hear from those who are responsible for this, since we are talking about tourism, and tourism in Havana. Havana used to be opposed to tourism; now, it is becoming one of the main tourist attractions because everyone wants to come to Havana. Tourism is a serious issue in Havana. It should be the primary front because it is where the battle is most difficult. Here in the capital they either snatch tourists' purses or they pester and harass them. That is why tourism must work perfectly in Havana.

This comrade posed a problem that makes us ask how the rest are doing. How was the Habana Libre doing? How many employees did they have? What problems did they have? How is the Habana Libre doing now? What role has the Galician played in the Habana Libre? I call him a Galician but I do not know whether he was born in Galicia, Valencia, or is Basque or from Madrid or Seville. In Cuba we always call all Spaniards Galicians.

The Galician at the Habana Libre Hotel is well known because he established discipline, which we Cubans do not establish and do not know how to establish and cannot establish. When two Cubans get together, one says: This is my cousin; he has to put up with and tolerate everything I do; he cannot demand anything from me. On the other hand, they listen to everything the Spaniard tells them. The psychological makeup of the Cuban people is quite a sight. They listen to the Spaniard; but when a Cuban speaks, they do not listen.

Since we are talking about tourism, we are going to discuss tourism in Havana. This is even a good place to discuss national tourism. Today, if there is anything that is decisively important, strategic, and of first order in getting Cuba out of the special period and helping Cuba develop, it is tourism. It is the activity with the most growth and where the subjective factors of treatment, attention, and organization play an important role. We would like to hear from those of the tourism sector in this assembly.

[First delegate] Commander, the Nacional Hotel has already accrued approximately $13 million.

[Castro] You said you have 32 installations including....

[First delegate, interrupting] All together we have 32 installations. Twenty-five of them are operating and the other seven are being renovated. Those are the old hotels that are going to be repaired this year and next.

[Castro] So you have 25 installations currently in operation.

[First delegate] Yes, 25.

[Castro] How many workers do you have?

[First delegate] We have 6,200 workers. That is approximately 1.1 workers per room.

[Castro] How many?

[First delegate] Approximately 1.1.

[Castro] How many did you have before?

[First delegate] Commander, we used to have 6,700 workers. We are working hard with regard to the experience we acquired from the Spaniards and through other studies that we have made.

[Castro] What happened at the Habana Libre hotel?

[First delegate] From 999 workers at the beginning of the year, we are down to 577 workers.

[Castro] Why were there so many workers?

[First delegate] Commander, in 1989 there were 1,200 workers.

[Castro] There were more. There were 1,200. Go ahead. Now you have fewer than half.

[First delegate] It was because of their inefficiency.

[Castro] What were all those people doing there?

[First delegate] I guess they wandered around, because today we do the job with 577 and we get the job done right.

[Castro] Is the job done better with the workers you now have?

[First delegate] Yes, of course. Furthermore, the people who left there....

[Castro, interrupting] How many people who should not have been eating there were eating at the hotel?

[First delegate] Seven hundred twenty workers.

[Castro] How many?

[First delegate] Seven hundred twenty.

[Castro] Who were not workers at the hotel?

[First delegate] They were not workers of the hotel.

[Castro] But they ate at the hotel.

[First delegate] Yes, they ate at the hotel.

[Castro] Do you think a tourism industry can prosper that way? I ask you, comrades, tell me the truth: Do you think a hotel where approximately 700 people with

nothing to do with the hotel are eating can be a hotel for tourism? In what country of the world? Until when did that go on?

[First delegate] That went on until June.

[Castro] June, this year?

[First delegate] Until 1 June, when the Spaniards took over.

[Castro] Why did that happen? Why was that tolerated? Why did Intur put up with that? Why did your supervisors allow such a mess, deprivation, and chaos? Why lie to the country, telling them that we have a tourism structure and a tourism sector?

[First delegate] Commander, at the moment we are solving those problems. Today we inaugurated a restaurant, a cafeteria, to take care of all the people who should not be eating there. It is on O and 23d Streets. We did that in tribute to this assembly.

[Castro] How much does a hotel cost? What profitability and administration can a hotel have with 1,200 workers, three times what it should have, plus 700 more who go there to eat? Is that how we are going to overcome the special period and obtain income for Cuba? Is that how you are going to create an economic awareness? I want this to be known.

[First delegate] I wanted to reassure you that we are working on this. We have precise plans. In a meeting we held with the provincial bureau, comrade Osmani participated with us....

[Castro, interrupting] Good, but why did you wait so long?

[First delegate] Unfortunately, these things....[pauses] You are right, we should have started sooner.

[Castro] We organize contingents for this and that, mobilization of workers here and there, and the Habana Libre was [words indistinct]. How many rooms do your facilities have?

[First delegate] We have 5,200 rooms right now. It should reach 6,000....

[Castro, interrupting] Are all those dedicated to international tourism?

[First delegate] No, Commander. Three of the hotels are dedicated to national tourism. There is a small percentage allocated to national tourism, mainly vanguard workers, the Cuban Workers Federation, youth, the Interior Ministry.

[Castro] That followed a set, organized policy, one that is also rational, to give a portion of something we cannot give to all and to avoid letting hoarders or scoundrels use the facilities. It is preferable to have vanguard workers enjoying the hotel. This was the policy set, a small percentage so that our workers can somewhat enjoy the facilities. Although we now desperately, desperately need the hard currency collected from tourists at those facilities.

[First delegate] That is not all, Commander. The Habana Libre and Riviera Hotels, which are under this [Spanish] administration, also welcome a percentage of nationals; this is planned for all the hotels. This is a study we are conducting in the new structure we are proposing. We believe this is going to cover all the problems of inefficiency and the mistakes that we have made all these years.

[Castro] The Riviera was in the same condition as the Habana Libre, experiencing the same problem.

[First delegate] However, based on the experience we gained at the Habana Libre, we have not had to remove workers at the Riviera. We had already eliminated any excess. This can be resolved in practice. We have now begun managing the Neptuno Triton Hotel and are already working to make this happen again. This is truly so. We have an excess of approximately 1,200 workers.

[Castro] Our worst problem is that we think we know. This is one of our characteristics—great self-confidence. We are champions at this. Others come and tell us: Look at this, and that, and the other. It is like flying a plane. No one can be told: We have just brought a new plane, since you know how to drive a car, please go ahead and take this plane loaded with passengers to Santiago de Cuba. That is like the hotel business.

[Second delegate, identified by caption as president of Intur] We have not said clearly here that a process is taking place in the entire province to analyze and reduce the personnel roster, including various hotels and the Pan-American Village. I will explain how we worked the Pan-American Village. There might have been mistakes. I am sure we made mistakes in many things in the Pan-American Village but I am going to tell you the concept we used in the Pan-American Village. I want to stress that we have worked on this basis. One has much to learn. I can tell you that I am learning and that every one of the comrades working with us, including at the hotels, each day learns much about things we did not know.

Tourhoteles achieved the marketing of approximately 42 percent occupation, up to August. This percentage is low. We have discussed that the issue is not that there was 10- or 12-percent growth but that we have to work to attain, not 40-, but 60-percent occupancy. I believe that in terms of marketing, although we carried out an entire restructuring of the marketing, worked on each market, we have not truly reached 60-percent occupancy in Havana or in Cuba in general. This has not been attained. We have achieved growth, but not 60 or above, as has been done at certain facilities. In Havana we have nine facilities that have over 60-percent occupancy.

[Castro] Then why does the Tuspan Hotel in Varadero have 92-percent occupancy?

[Second delegate] I would say, because there is strong work in marketing, because there is a strong enterprise in marketing, because the flights are tied in with the marketing, and also because th s enterprise is good at marketing. They have all these ties and Germans like facilities with tailored services. Their marketing is good.

[Castro] When do you plan to increase marketing in connection with the accords reached with Guitart and that other group? What is it called?

[Second delegate] The (Loquero). Commander, the contract reached was on the basis of surpassing 60 percent. Actually, 60 percent is the baseline, a point of departure. The goal is to achieve over 85-percent occupancy. This is the principle discussed and agreed upon.

[Third delegate] There are enough of us to do it. I believe we do have to import a bit of demand for quality and reject paternalism. The Habana Libre Hotel, a 34-year-old hotel with workers who averaged 48 years of age, was a hotel that demonstrated how much in need of change we were. Unfortunately, or perhaps luckily, the Guitart Hotel company took charge of our main hotel. When they began to take steps toward efficiency, it allowed us to reflect on all the problems we have. Previously, the Habana Libre had absenteeism of between 10 and 11 percent; presently, its total absenteeism is—there are no unjustified absences—only 2 percent, normally due to problems such as the conjunctivitis outbreak; last week, because of the weather change, many workers have allergies and asthma problems. However, we truly do not have a problem of absenteeism any longer.

The Habana Libre workers....[pauses] The political organizations were a bit extremist and had even established the times to show up for work; we have changed their hours. We were saying: Heck, how will this be seen in light of the situation the country is experiencing? Yes, we have gotten ourselves in trouble.

Everyone in this country talks about the Habana Libre, even Radio Marti; but it is true that Habana Libre workers no longer arrive late. We have not issued more bicycles. We have issued them at the same rate as before. I do not know how the workers have solved their [transportation] problems.

Much is demanded from the Habana Libre workers. We have to demand much from tourism workers because right now, I believe, they are highly privileged workers. I believe we have to put it this way. As privileged as they are in general, service workers directly involved in production are as privileged as well because we know that, one way or another, they get certain benefits.

If they have benefits, we must make greater demands of them because they have a job they should be the first concerned about taking care of, instead of we. Presently, the average age of the workers at the hotels is 32 years. Many silly things have been said about the ethnic composition. In the hotel we have blacks, whites, and mulattos; there is a bit of everything. Commander, I also believe that the Habana Libre experience, as Paco [not further identified] said, has helped to energize Intur and we are trying to disseminate this experience to the rest of the hotels. This is a job that, to be done right, cannot be done in two months because we have to observe and test the workers. Steps are being taken to retire all those who have reached retirement age but do not want to quit their jobs and are therefore blocking the progress of younger workers. I also think that this idea, which is already five months old and first began to yield good results in October, has to be extrapolated. That is our goal in Havana and the entire country.

[Castro] Was the experience of the Spaniards who joined the hotel not worth anything?

[Third delegate] We have done this thanks to that, because alone, as a Cuban, I would not have been able to do any of this. This is what makes the difference.

[Castro] Then we had to import Galicians?

[Third delegate] Yes, at least initially.

[Castro] Right, but you think that one day we can do this by ourselves?

[Third delegate] I am fully convinced of this but I also have to be given the powers that were given to him. [applause]

[Castro] Yes, of course. [applause continues] I applaud because I agree that we must have the necessary power and authority. Can you tell me what these are?

[Third delegate] First of all, I want you to know that in addition to having a process of suitability, begun in 1990 or 1991, and having completed it, it was very difficult for us at times to reconcile administrative criteria with political and union criteria.

[Castro] How is this? Can you explain?

[Third delegate] Look, Commander, in order to explain I have to get into a delicate issue.

[Castro] But are you not asking to be given the same powers? If we do not know what they are, how are we to know how or where to get them? Is there a supermarket or a country that grants these powers? [laughter] Tell me about it to see whether, among us all, we can do it. Lady, go into every delicate issue you want to. This is what we are here for. [applause]

[Third delegate] Here I go. Besides, you said it a while back: Here, we have to speak the truth. First of all, I want you to know that it has been difficult to make everyone understand the Spaniards' system, which I personally very much agree with and which was highly needed. At times, it is not possible to spend every day in a quarrel with everyone. What has happened is that because it is a

Spaniard who is in a management contract approved by the top leadership of the country, he has to be respected.

[Castro] The top leadership is those seated here. No, it was approved by the government, by the party. How many things have been approved in this manner? And how many are fulfilled?

[Third delegate] No, I believe that what was approved is well known. I am convinced that the government knows what it approves.

[Castro] It is a policy the country follows as the result of an overpowering need.

[Third delegate] Exactly. Before, there might have been a worker maybe 55 years old....[pauses] Let us speak of a young worker. We are not always going to pick on older workers. Some might be 55 and work harder than a 20 year old. We have a certain worker of a certain age who [words indistinct] and we spoke with the party and the party supported us administratively. Then we spoke with the youth movement and they were also in agreement. However, when we got to the union, the problems started. In this case, initially, I believe that there were certain problems. Later on, the system took its normal course and we began to reconcile political and labor organizations with the administration in one main concept: to seek efficiency and truly to fulfill what the government had agreed on.

This was much easier for the Galician than it would have been for me if I had tried to do this at the Presidente Hotel last year. This is one point. The Galician has a so-called total economic independence. If he tells Cantillo [not further identified] something and Cantillo disagrees, he cannot do it; but he usually convinces Cantillo because he is usually right. Frutas Selectas arrives with a truckload of fruit that does not meet service standards. That truck is not unloaded at the Habana Libre. At the Presidente Hotel, I had to accept that truck. He would threaten me by saying that if I kept up such silliness I could end up without fruit for three months. And: Go ahead and reject them. We will never again bring you any fruit.

The Galician decides which products he buys; that is part of efficiency because he buys products that will not cause losses, and no one complains.

[Castro] Why is the fruit taken to the Galician?

[Third delegate] Because he demands it.

[Castro] And if you make the same demand?

[Third delegate] They do not bring it to me.

[Castro] They do not want to respect Cubans.

[Third delegate] That is true.

[Castro] They mistreat and even insult them; and the one who says the same thing and rejects the fruit is still receiving fruit.

[Third delegate] He also clearly established that he does not go out; products are to be brought to him at the hotel. This is within the control mechanisms.

[Castro] What other attributions?

[Third delegate] What else does he do? He works free of the hassle....[pauses] not hassle, but he is not constantly being visited by all our state committees. The Galician can be more efficient than any other hotel manager because he sets whatever prices he wishes, not those set by the state committee.

[Castro] Give me some examples.

[Third delegate] For example: We are going to sell a fried chicken. We begin with the cost estimate, what we need to make one fried chicken: eight ounces of chicken, so much oil, so much garlic, and whatever else it takes. In the end, after establishing the cost of preparing it, we set the retail price. Not so, here. Here we have many hotels like the Presidente, where selling a fried chicken was a loss but I had to have it on the menu because the Service Directorate demands it of me. However, I could not raise the price. My hands were tied.

In his case, this does not happen. He estimates the cost and he sells at a profit and no one gets in his face or sets fines or takes him to court.

[Castro] Very good. I think you have given a very good example. Our mission is not to lose money on fried chicken, it is to profit from fried chicken. We need that money from abroad. What are we achieving by giving a tourist a free chicken? This is a good example, something worth analyzing. We have to decide how a hotel is supposed to run in this country. What do we have to eliminate? What price policy must we follow according to the type of hotel? What is the minimum we must make on each chicken? We have a good need to profit on those chickens. If we sell them and end up losing, we are dead. Do you have other examples?

[Third delegate] They have the possibility of going out to sell their product anywhere they want and at whatever price they want, as long as the owner agrees. Cuban hotel managers cannot sell their own services. Somebody else does it and that somebody, who has no need to sell it, sets whatever price he wants without consulting with the hotel.

[Fourth delegate] Our inefficiency is immense. We cannot continue to afford the costs we are incurring in all the tourist facilities, in general; some are more efficient, others are less efficient, but our costs are truly unbearable. These costs include everything, even what we are always talking about—the excess work force in our facilities.

Naturally, this also includes marketing. The results already achieved at the Pan-American Village, 37-percent occupancy, and the total of the Tourhoteles example, 46-percent occupancy this year, do not compare with levels above 60 percent and up to 85 percent as

average occupancy. Of course, when we have 36- or 46-percent occupancy, most of the fixed costs remain.

We have the facilities in operation, the workers employed, and we are consuming electricity, fuel, and many other things. Yet the biggest profit, the greatest need, ranges between 80-percent and 36- or 46-percent occupancy. In this level of occupancy the purest gold lies. In other words, marketing is extremely important for us to attain bigger profits from tourism. We believe that, although the effort made in Havana and in the rest of the country is meritorious, as we were saying in the meeting the time we could afford to lose has already been used up. We are overdrawn. We are in the red. We do not have the right, nor can we, nor will we be allowed to lose a single minute in the effort we have to conduct in tourism.

We also mentioned that we have grown 30 percent in the last few years. Between 1991 and 1993, we grew 36 percent in annual average income in tourism. However, in the meeting we said that we have to hope to serve 10 million tourists and we have to work for 10 million tourist and this is around the corner. We, ourselves, have pledged to reach 1 million tourists by 1995. This should result in a 1 billion [currency not specified] income.

The year 2000 is approaching. We must have from 4 to 5 million tourists in Cuba. This is as far in time as about tomorrow evening. Independently of the efforts our Revolution makes in all fields in order to overcome the current economic situation, tourism is a solution to the Cuban economy. Undoubtedly, our country has possibilities no other country in the world has. In the past few years we have been warming up our motors. Now we have to maintain that rate of 30- to 40-percent annual growth in order to have 10 million tourists and an income of 15 billion [currency not specified].

I hope, and we are working at this, we find other sources and continue increasing our possibilities so that our country is able to overcome the current economic situation. However, if there were nothing else, tourism alone could get us ahead. This is not a guideline or a goal or a wish. This is a reality in which we are already engaged. Our low rates of growth are miserable. Other countries in the world have grown at similar rates in previous years.

However, we cannot do all this on a basis of inefficiency. We can use some time in certain other sectors in which our social and economic problems are so traumatic that in other sectors of the economy perhaps we can take longer if we continue to waste money inefficiently. [sentence as heard] However, in this business we have to seek maximum efficiency. We have to design and establish the mechanisms that will make us reach that top efficiency. Where there is a surplus worker, there is one surplus worker. And where there is one worker on the street better qualified to make this business more profitable, I have to employ that worker in this business. And anywhere our costs can be reduced, we have to reduce our costs to improve efficiency and the quality of the tourist product.

Those 10 million tourists will transform this country, from the point of view of jobs and everything. Comrades, we are aboard this train. At the rate we are growing, by the year 2000 we will have approximately 4 to 5 million tourists as long as we maintain between 30-and 40-percent rates. In order to do this, we have to finish shaking off the dust of our inefficiency. The dust must be totally removed. We must seek top efficiency with all the politics, care, consideration, and immense humanity of our Revolution and our socialism—but completely free of paternalism.

As we said in the meeting, this is harsh; it must be harsh, and it must be through our cadres. We are even thinking about this: We will contract our management cadres on the basis of the new restructuring we are going to carry out. A hotel manager is contracted for three to five years and at the end of that period we make an assessment, independently of making early partial assessments, naturally. Whoever does not produce results will have to be removed.

[Fifth delegate] Regarding tourism, although it has been fully debated and analyzed....[pauses] more than about tourism as such, about how tourism might influence the culture. [sentence as heard]

[Sixth delegate] We have to advocate a crusade, a crusade for quality, a crusade for the best. We have to be free of prejudices, such as not playing a certain type of music because I do not like it. No, we do not have the right to impose our tastes on tourists. The tourists have their preferences and they must get the best. We have it. We have it. I believe that we have to continue fighting for this. For example, at the PCC assembly in Plaza Municipality, an agreement was reached to play so-called concert music—I am not going to waste time explaining why—classical music at the hotels. Why not? We did this. The accord was fulfilled with great speed. I am very thankful to the party for this. We have already had the first concert to a full house at the Nacional Hotel. It included Cuban and international concert music. I believe there is still much to be done in this field. We have to break down many barriers, much lack of information. I believe we have to continue this fight.

There is another issue. What I call captive tourism. There is a trend in certain hotels to hold up tourists. I am not against giving tourists the best possible service but tourists also have to get to know the cultural life of the people. They have to go to the concert halls, galleries, exhibitions, museums, and monuments. They have to see our habitat. It is true that it is rundown and perhaps, as comrade Osmani was saying the other day, we have to see what investments can be made on those places.

For example, we began very modestly. I am not an economist. I believe the economy is something every revolutionary must get to know better because we have

that need, regardless of where we are. We informally organized the first cultural tourism tour, for 22 Spaniards from Valencia, and housed them at the Nacional. One day we had Jorge Luis Pratt with the Symphonic Orchestra; another day we toured the Havana Museum, which was an extremely beautiful visit. I felt uncomfortable with all the displays there against the Spanish, as I was visiting the place with Spaniards: This hero was killed by the Spanish in this or that battle.

However, by the exit there was a beautiful banner—there were several Spanish generals in the group—that read: I would have liked to show the Spanish, the brave Spanish soldiers, but the Americans stole the victory from us. It was something to that effect by Maximo Gomez. You should have seen their faces. The trip to the museum was a truly beautiful experience. We had a very good soprano accompanied by a pianist in the museum.

Anyhow, every day we had a different cultural activity for them. Now they are coming back; but this time there will not be 22, there will be 60 coming to spend New Year's Eve in Cuba. They did this in New York last year. They bought jewelry, silver, records, musical instruments. They went to the Music Museum and listened to the Exaudi chorus. One of the Spaniards from Valencia told me: I am embarrassed. In Valencia we have 400 musical groups and we do not have a museum like this one. I am going to donate the house where my father was born to create a museum like the one in Cuba.

We have beautifully preserved musical instruments from past centuries. We have Fernando Ortiz' drums. It is our duty to show all this wealth to the tourists.

[Seventh delegate] We have to fight against an old concept stemming from the humanist tradition of understanding culture as a subsidized activity. We have to get involved in this without making concessions on esthetic and ethical principles to the artistic market because in the contemporary world, culture is disseminated through the artistic market. We can enter this market with a highly competitive level in certain areas.

There was the example of popular music, music in general, the example of fine arts. The collective talent within the Cuban fine arts sector is very impressive. We could give many other examples. On many occasions, I have used the example of soap operas, an industry in many Latin American countries, particularly Brazil. Venezuela, Mexico, and Peru also export soap operas. According to the experts, the Brazilian soaps are the only ones of inferior quality. We have here producers, top actors, and script writers. We have the conditions to turn this into an industry. We are the fathers of the germ of the television soap opera, which is the radio soap opera. I have said many times that we have the Shakespeare of radio soaps, Felix B. Cane, who wrote "The Right To Be Born". He is ours and no one can take that away from us.

In other words, we can also become exporters, without making concessions, of that type of television product, of musical videos, etc. The Revolutionary Armed Forces studios and the Cuban Institute of Radio and Television were studying a very interesting plan to create a production house. This would become a source of employment for our artists and actors. It would also be a form of filling our television with national products. It seems to me that the experience of Macia's soap opera was very interesting, its popular impact, as well as the impact this one about the Cienaga de Zapata is having. People like Brazilian soaps but people also like to see their own actors, their people, their culture on the screen. People are interested and follow it with interest. They relate in a very particular manner with that national and cultural message coming through television, which is the true cultural power. Unfortunately, at times it is for the worse. However, at times, we hope, it is for the best.

I believe this offers many opportunities. I believe we have to make a collective effort with all the tourism, the cultural promotion entities, the intellectual movements, the help of economists, because we need economists of culture. This is a specific market, one that has certain peculiarities. It does not allow for improvisation. It is a market in which I guess that in order to sell pharmaceutical products....[pauses] We are going to speak about this according to what Lezcano told me during the recess. This is a market that requires knowledge. Our introduction in it is slow. There are transnationals. In the culture sector there is also pressure from transnationals. We also need our promoters or impresarios, whichever you want to call them, to know this market and enter this market with energy. We have talent and a high level of competitiveness.

In other words, we should not view culture as ballast. We should not see culture as something the national economy has to shoulder but as something that is not only self-financed but also something that can help us overcome the special period. This is what I wanted to say.

[Brief musical interlude]

[Leal] I believe that we agree that we cannot conduct a tourist project in a country like Cuba, a country with such a defined political and social vocation and particular history, unless we think that on the shoulders of that herculean and tired figure the cloak of stars we place after the daily struggles is that of its sports, its science, and its culture. Thus, everyone who comes to Cuba is impressed by the work of the sciences, the work of our sports which are spearheading a great world challenge. These are also men of culture, of a moral culture, of a civilization whose values we have so firmly maintained.

I believe a great writer said that when an athlete struggles in the arena for great Olympic glory what he cherishes above all other goods is the crown of laurel leaves. We, who have always struggled for the crown of laurel leaves above all else, truly believe that these reflections by Alicia, you, and Ruben on the role of culture are very important.

I have worked hard with many other people in preparing what we might call the theater of operations. In this case the theater of operations has been a great cultural facility, Havana's Cultural Center. I believe that many tourists come to Cuba wanting to see not only see the gifts nature granted us with this island for so many ponderable reasons, but also the work of men, what men have accumulated in centuries of effort.

I believe that there, in Habana Vieja, in Trinidad, in Santiago—our moral capital—there are values that cannot be relinquished and also values that can become profitable and a firm support for Cuba, today and tomorrow. I believe that to the same degree that we become aware of this, we are doing something good.

This is still under the guidelines of Decree 143 which our commander reviewed line by line in an admirable exercise of leadership. I say this because a while ago a certain asp hissed to me that this has been called the Vatican. I answered: In that Vatican, I am the secretary of state but the Holy Father is he [Castro]. [laughter/applause]

It is 9.4 square km of a dense and impressive concentration of monuments and an impalpable history. [as heard] In other words, you cannot walk a block without talking about a teacher, a school, a scientist, here Romai, there Espadero, here Marti, there Luz.

Once we know all this, and it becomes stone and pride of the city, the city which is also a way of living and a way of thinking, it becomes something not only admirable but also that wants to be known. This is the reason I have always thought that to renege on any tourist project in Havana was unreasonable. I have always thought that everyone would like to come to the capital of the Revolution, to the last stronghold, the Carthage, the Troy. Everyone wants to come here, to Revolution Square. They inevitably want to see the stage of great events in history.

I have also believed that in that project, the participation of Cubans as a group and individually was essential. If against a series of prejudices which are nothing more than the reflection of our own fears, we reject letting revolutionary Cubans exercise their hospitality [passage indistinct] it produces the wrong image of Cuba and renders a poor service to this country. However, within that floating category of ties with the world abroad, many fear approaching a tourist beyond an obligation and they automatically relinquish this to the hands of black marketeers.

I believe that this renovation of thoughts is very appropriate. I believe that from the first moment, in that swordplay which opened this assembly, the commander has tried to put the ethical value of this meeting exactly on track.

I must add that Habana Vieja is an emporium of wealth. The commander, for example, was concerned by one fact: Napoleon said that three things were needed to win a war: money, money, and more money. Of course, he said that while he was standing on the battlefield. Therefore, I believe we need money and money; but we also need lucidity, enthusiasm, perseverance, roots, and an immeasurable will.

Habana Vieja requires much money. Every building restoration cost thousands of dollars in work hours and essential materials. We had the anguishing pain of trying to solve this in the period it has been our destiny to live in. Ruben, for example, spoke of the museum. The nation has 254 museums. Some of its most important concentrations are in Havana and in illustrious Santiago, Trinidad, etc.

All this has to become workable and, to get done, has to become payable. I have been a museum director for over 25 years and know that opening up the doors and turning on the lights costs $200 an hour. It has been only now that we have become fully aware of what this means. To those $200 dollars for electricity we have to add what we need for water and employees' pay. Every hour is highly expensive. Therefore, we who this year welcomed 1,207,000 visitors had, first of all, to make our museum a paid museum.

Our museum was the first in the nation that charged an entry fee. This year, it is already contributing $125,000 to the national economy from entry fees. A third of what all the museums in the country produce comes from one museum alone. In addition to this, Cubans were not paying the entry fee and it was a discriminatory act for Cubans. Fortunately, we have overcome this. [laughter] Now, Cubans pay to come in and the psychological rationale of their behavior has changed significantly. Of course, school trips do not pay, nor that small group of children who always come in as an act of courtesy; students with ID receive a discount. I have no doubt that as we accrue funds we are also giving them an opportunity to understand that they should also contribute to maintain these efforts.

We had to restore many buildings about to be lost. An idea came up: Let us ask our many friends throughout the world on the basis of the call made by the director of UNESCO and the fact that the historic hub is part of the patrimony of mankind. This call was issued not only to organizations and nations but also to institutions and individuals. There were generous people such as Osvaldo Guayasamin, who contributed to restore a building; even after doing so and being able to enjoy it for life, because we could not fence off this facility since it is part of the patrimony of the nation and mankind, Osvaldo wished to open it to the public, asking only his rooms be kept private when he comes to Cuba.

The commander was saying: It would be great to have many more Guayasamins, people as generous as he; but if this practice becomes generalized, we would be losing the good achieved because we would lose that building's capacity to produce wealth.

How many people tell me: We wish we could rent a house in Habana Vieja. And we think: That rent, first, could be used to contribute to the nation; second, to restore the entire city.

I ask of destiny one more day, one more year in order to see more of the effort completed and to have more friends. I pray that there may not be a hurricane because if there were to be a hurricane I could end up losing three-fourths of my patrimony, which is mostly in ruins. We need to speed up the process. From this emerged the idea, first, of strengthening the system of restoration; second, we observed the fact that restaurants or economic institutions in Habana Vieja produced higher profits than similar facilities elsewhere in the city. Man lives by what is rational but he also needs fantasy. Maximo Gomez said that soldiers die better to music and drums. He had small bands in each battalion play, logically, patriotic music.

I believe that the Bodegita del Medio is capable of making $2 million because it is on Empedrado Street next to the place where Carpentier created the characters of Century of Lights, on the street where Marti lived and worked as a lawyer in the office of Nicolas Ascarate. This place full of history and is conducive to tourists' spending money to seek out the invisible soul of our people; we have the sacred duty to collect it. [laughter]

If we are capable of creating a coherent program which, with the historic appeal, allows us to collect ineffable and imponderable amounts of money for Cuba, we will have triumphed.

The resolution also includes the creation of—I will not say tax—of certain jubilant contributions that organizations and individuals will make in the historic hub in order not to lose ties with the contextual reality where their business are located and from which they attain their profits. I believe, as the commander was saying, that is it imperative for us to see how we can legally achieve this. I believe it would be a mistake—as happened, as a matter of fact, because we always have a tempting hand showing us a path which is not ours—to begin selling oil, detergent, or sausages in a museum so that in the same locale tourists are paying for spurious services rendered by certain in-betweens. This cannot be the way. The path must be through slides, videos, cards, books, conferences, services, rooms, good food service, and everything else that promotes this path.

This idea, which has emerged from a quarter century of work by many people, is aimed at the entire historical city. How many times have exiles told me: Havana's monumental cemetery is a marvel and is, as in any Latin culture, one of our great concerns. There rest the ashes and bones of our dead. Many emigrants tell me: We would like to contribute to preserving our tombs. We want to know how we can pay an annual contribution to the cemetery to protect our graves, which the Republic and Revolution have preserved without asking whose they are.

The city is full of economic possibilities, all of them legitimate, born of the cultural roots of many of its entities. I believe that the Nacional Hotel is extremely important because tourists in the patio can see that it was built on top of an ancient battery where the largest Spanish cannon in the world—48 tons, an outstanding piece of artillery—rests. The tourists climb down into the dungeon, more interesting to them than a brand new hotel. That cannon is an important attraction of the hotel.

I believe that our contribution will be history. Since the firing of the nine o'clock cannon, hundreds of people have visited the forts; this has cost a lot of money. The Armed Forces work at this generously and magnificently, each Sunday putting a general in charge of the effort and at times Minister [Raul Castro] and even the Soviet adviser. I remember General (Zaitzer) pushing a wheelbarrow. The Morro Fort stands restored, a glory of the Americas, as is the Cabanas Fort with its square km of green; in order to mount 12 cannons, 150 tons of steel were required. We had it then, not so today. Therefore, to hear that cannon one must pay, inexorably. [applause]

Doing all this and making sure that that which is most precious, our spirit, is not lost, will be our task; this is not a meeting of businessmen, it is a meeting of politicians.

This morning our meeting began by focusing on philosophical guidelines and a major struggle. To what extent can machinery with many inefficiencies respond to each new idea that might be raised? I remember that the minister of the Revolutionary Armed Forces used to note how hard it had been to introduce the doctrine of the war of all of the people because many people could not understand all the schemes we had to learn, the new thing that was causing us to return to our roots and face the immediate future. Someone was asking a few moments ago... [passage indistinct]

[Castro] [words indistinct] and they buy the houses for $500,000 and resell them for $800,000. Some people have offered to lend us the money to restore it, which would be repaid in 20 or 25 years. We, however, wish to make an investment. We do not wish to set up a mixed enterprise there. A dear friend is interested in making an investment there, to form a mixed enterprise. Yet, the idea is that we are the ones who should make the investments because the value there lies in the place, and in the historical value. Perhaps we will have to spend 80,000 or 100,000 pesos in restoring a building that is worth $500,000, $600,000, or $700,000. We had better rent it or ask our people to open resturants, stores, and other shops there.

The current trend is to get a house and live in those places. Thus, a large portion of this effort is culture-oriented: to restore the area, preserve our heritage. Another aspect is of a social nature: that is, to help our people. The third aspect is economic: to acquire a large income of money.

In this case, we have taken advantage of the fact that we have an exceptional historian of our city, an active, energetic, very well connected man. I believe Leal has better foreign connections than the Cuban Foreign Ministry itself. [laughter]. He corresponds with we do not know how many kings, princes, heads of state; he seeks help and resources. I remember that he often received $100,000 for Habana Vieja, but he had to exchange it for 100,000 pesos, and he could do nothing with the 100,000 pesos. He needed the dollars because he needed to buy construction materials. Today, unfortunately, we need to buy everything. We need to use currency to buy lumber because we do not have it. Today we need to buy many other construction materials and pipes, which were earlier obtained from the socialist bloc, with foreign currency.

Yet, this project has not only cultural significance, it is also socially and economically significant. I believe that if we implement our ideas, along with the tremendous push Leal can give such an idea because of the prestige surrounding Habana Vieja, then we will be able to make a significant contribution to our national economy by adequately developing the Havana heritage. This is the true meaning of this organization that we are working on.

I hope Leal will be able to continue there, and that there will be others who work as hard and are as involved in as many activities. Let no one forget that Leal is in charge of six radio programs a week, a weekly TV program, and countless international lectures in various cities and universities. So long as we have a man like him there, we must keep the office united, as well as the restoration and economic institutions of Habana Vieja. We also have a great interest in having Leal continue to write. For his intellectual work, he needs the cooperation of many people. We need to find people who will do the everyday work for him, so that he may not waste his time doing this or that—procuring sand, stone, or cement. Other comrades should be doing that. I believe the latest step is highly significant for the city and for a municipality with more problems than the others. It has been a worthwhile topic of discussion at this assembly.

[Jorge Lezcano, first secretary of the PCC in City of Havana Province] I completely agree with your remarks, Commander, and this project is certainly very important for the assembly and for the City of Havana. In response to the appeal made here by Comrade Leal, I wish to take this opportunity to reiterate to him—I say reiterate because I had conveyed this to him as soon as I had learned about the project—that he and the other comrades working on this project, on this idea, may rest assured that they will receive every bit of cooperation and support from the leadership of the party, from the province, from the municipality, from the government, and from the entire leadership of our capital because we know he will be successful, because it is beneficial to preserve those historical assets of Habana Vieja. We know that it will bring social benefits to Habana Vieja, that it will bring economic benefits to Habana Vieja, to the province, and to the country as well. Leal may count on our full cooperation and effort. [applause]

Castro Opens Guitart-Cayo Coco Hotel

FL1311025593 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 13 Nov 93

[Text] Commander in Chief Fidel Castro chaired the official opening of the Guitart-Cayo Coco Hotel, the first five-star installation in the northern Cuban keys. Fidel, accompanied by (Krimen) Guitart and other personages, toured the tourist facility, which has 458 rooms spread over 22 buildings. The installation, belonging to Cubanacan S.A., will be managed and marketed by the Spanish group Guitart Hoteles, which has similar operations in Varadero and Havana.

Four contracts were signed during the ceremony. The fourth provides for building other installations in Cayo Coco. In his speech during the inaugural ceremony, Fidel highlighted the heroic deed represented by the construction of the embankment. He said that the embankment connecting Cayo Coco with the mainland has opened this key to touristic opportunities. Fidel also said that the embankment allowed the construction of the hotel inaugurated today and will permit the construction of three more hotels in the next seven years, to complete 6,000 rooms.

PRC Delegation Visits Matanzas Facilities

FL1511173393 Havana Radio Reloj Network in Spanish 1606 GMT 15 Nov 93

[Text] Zhang Boxing, member of the Central Committee of the Communist Party of China, and the delegation accompanying him visited oil drilling and tourist facilities in Varadero Municipality, Matanzas Province. Zhang and his delegation were met at the Playa Azul Hotel by Yadira Garcia, member of the Politburo of the Communist Party of Cuba [PCC] and first secretary of the PCC in Matanzas. In Matanzas Province the visitors toured storage center [centro recolector] No. 10 of the El Centro Oil Drilling and Extracting Enterprise, where they were briefed on efforts made in cooperation with Canada and France to increase crude oil production. The delegation visited the Cuatro Palmas and Bella Costa Hotels, where they witnessed the accelerated development of Cuba's tourism sector with the participation of enterprises from Germany and Spain.

Vilma Espin Meets With Chen Muhua in Beijing

FL1311170893 Havana Radio Reloj Network in Spanish 1511 GMT 13 Nov 93

[Excerpt] Chen Muhua, vice president of the standing committee of the National People's Congress and president of the All-China Women's Federation, met in Beijing today with Vilma Espin, member of the Cuban Council of State, the Central Committee of the Communist Party of Cuba, and president of the Federation of Cuban Women [FMC]. Following the meeting in which

the delegation accompanying Vilma Espin was also present. Chen Muhua hosted a dinner in honor of the visitors. [passage omitted]

OICI Delegates Briefed on Electoral Process

FL1311002593 Havana Cuba Vision Network in Spanish 2320 GMT 12 Nov 93

[Text] Today members of the Ibero-American Organization of Intermunicipal Cooperation [OICI] held meetings with the leadership of the National Assembly of the People's Government [ANPP]. ANPP President Ricardo Alarcon de Quesada spoke of Cuba's electoral process. He explained that approximately 7 million voters elect their base delegates in Cuba's 13,685 districts. ANPP Secretary Ernesto Suarez also explained the role of the organizations of the people's government. Afterward, mayors and other personalities attending the conference conversed with Cuban officials on the program for the development of Cuba's economy and the possible investments that can be made in Cuba in areas of tourism as well as in other economic spheres.

Dominican Government Suspends Granting of Visas

FL1511150593 Havana Radio Progreso Network in Spanish 1200 GMT 15 Nov 93

[Text] The Government of the Dominican Republic is in possession of documents that reveal the existence of a profitable business that sells visas to Cubans, which involves an organization of Cuban exiles in Miami, a travel agency, and public officials in Santo Domingo.

A Dominican newspaper made these accusations today and confirmed that the Dominican Government recently suspended the granting of visas to Cuban citizens, after discovering that some have left the Dominican Republic with false documentation, using the ambassadorial hall [salon de embajadores] at the International Airport of the Americas. According to the newspaper, all authorizations for Cubans to enter Dominican territory must be signed by Deputy Secretary of Foreign Relations Fabio Herrera Cabral, the official authorized to grant visas by the Foreign Ministry of the Dominican Republic.

Roundup of Politburo Members' Activities

FL1511131293

[Editorial Report] The following is a compilation of fileworthy reports on the activities of members of the Politburo of the Central Committee of the Communist Party of Cuba (PCC) carried on Havana radio and television in Spanish between 6 and 15 November.

JULIO CASAS REGUEIRO, CANDIDO PALMERO, and LEOPOLDO CINTRA FRIAS attended the creation of the Havana Province Veterans Association. (Radio Rebelde 0000 GMT 6 Nov)

JORGE LEZCANO praised mobilized workers from Havana for their productivity. (Radio Reloj 2000 GMT 9 Nov)

ALFREDO JORDAN told the Cuban Workers Federation Executive Secretariat that 402 Basic Cooperative Production Units have been established in the noncane sector. He stressed the importance of quality and daily evaluations, saying that it will take a while before results are visible. (Radio Rebelde 1800 GMT 10 Nov)

RICARDO ALARCON on 12 November gave a briefing on the Cuban Government structure to participants of the Ibero-American Organization of Intermunicipal Cooperation. (Radio Rebelde 1000 GMT 13 Nov)

CANDIDO PALMERO and Division General LEOPOLDO CINTRA FRIAS presided over a banner-awarding ceremony to the defense forces at the San Jose de las Lajas Municipality, in Havana Province, which is due for inspection in December. (Tele Rebelde and Cuba Vision Networks 0100 GMT 15 Nov)

Radio Havana Reports on Journalist Union Congress

PA1311040393 Havana Radio Havana Cuba in Spanish 0000 GMT 13 Nov 93

[Report by Esequel Matos from the "Evening Information Review" newscast]

[Text] The Santiago de Cuba provincial session of the Sixth Congress of the Union of Cuban Journalists [UPEC] took place today in the Protocol Room of the Antonio Maceo Revolution Plaza in this eastern city of Cuba. Among those presiding over meetings were Jose Ramon Balaguer Cabrera and Maria de los Angeles Garcia, members of the Politburo of the Central Committee of the Communist Party of Cuba [PCC]. Delegates from the local news media and guests from various organizations and institutions nationwide are attending the congress.

The delegates are discussing several issues, including professional ethics; payments and benefits for work; and journalism's role in education, research, and international relations. The participants also are discussing credibility and creativity, reviewing several types of journalism, and are breaking preset molds. The participant's enthusiasm and combative spirit during this provincial session of the Sixth UPEC Congress, which is currently taking place in Santiago de Cuba, demonstrates that the workers of the press are, above all else, soldiers of the revolution.

Infant Mortality Rate of 9.3 Announced

FL1211224693 Havana Radio Reloj Network in Spanish 2050 GMT 12 Nov 93

[Text] Cuba has achieved an infant mortality rate of 9.3 for every 1,000 live births, much lower than that of Latin America, which averages 55 deaths. This announcement

was made during today's session of the Seventh Congress of the National Health Workers Union [SNTS] in Granma Province, which is being held at the medical sciences center in Manzanillo Municipality.

SNTS Secretary General Ramon Crespo Almeida highlighted Granma's efforts in reducing its infant mortality rate to 10.8 for every 1,000 live births, for this province an unprecedented figure which continues to decrease.

Furthermore, Granma Province has been able to implement the breast feeding program by 98 percent and the (Fe del Valle) Hospital received the Friend of the Mother and Child Distinction, awarded by UNICEF.

'Straight Talk' on Excess Money Supply

FL1211022093 Havana Radio Rebelde Network in Spanish 1700 GMT 11 Nov 93

[Discussion between host Carlos Santana Ojeda and journalists Oswaldo Rodriguez of JUVENTUD REBELDE and Eloy Concepcion of TRABAJADORES during the "Straight Talk" program]

[Text] [Santana] The excess money supply in our country currently stands at more than 9.8 billion pesos. This situation is having a destabilizing effect on our economy, which is undergoing a strong recessive crisis provoking shortages of basic supplies, both in the areas of energy and raw materials, and in consumer goods. Oswaldo and Eloy are here today to discuss the negative impact of the excess money supply. I believe we must address some aspects of the problem and, we need to begin by discussing its effects on the economy, at the macroeconomic level and the household level.

[Rodriguez] People say that the excess money supply is to a certain extent a reflection of the society, because such an excess effects practically everything. I am going to talk a little about what we call macroeconomics.

[Santana] You mean how this affects the country's overall economy.

[Rodriguez] Yes, how it affects the country's overall economy. As you were saying, it does affect the population directly too, on a household level. I am going to leave that second part to Eloy. I will address the following: At this time, we are experiencing an economic recession and, for specific reasons, certain industries and many labor centers have been paralyzed as a result of energy problems, of shortage of raw materials, etc. However, in those sectors where there is energy, raw materials, we cannot always say that there is a high level of efficiency in the workplace or that there is no absenteeism. I am referring both to production and service centers.

As we analyze this, we find that there is a lack of motivation to work. There are workers who in labor activities other than those organized by the state are obtaining a far greater income than their state salary provides. The truth of the matter is that when you are dealing with society, you need a much larger amount of money than the monthly salary assigned to Cuban workers, who make modest salaries that, under the current circumstances, are not enough to make ends meet. This situation thus has an altogether negative impact on the economy.

For instance, if you had the chance and if you would like to improve the supply of a situation on the market, you may be able to do it, but in light of the large money supply, you would have to work hard. Perhaps you would even have to formulate a price policy and so forth. There is so much money in circulation that as soon as you start distributing something in the country, it immediately provokes a tremendous demand because there is so much money. No economic system should allow this to happen.

Much has been said about inflation. Well, this is inflation. It is the amount of money in circulation that is not in keeping with the country's production capabilities, even with the marketable resources within the country. The excessive amount of 9.8 billion pesos in circulation is three times higher than we had in 1970. Everyone remembers what happened in 1970. At that time, our production dropped sharply, our foreign trade felt the impact because if you have no product to export, you would not have fresh money to buy anything. That is, our entire economic structure is effected by the excess in the money supply. This excess must be brought under control. Any country must necessarily correct its finances, which is the technical expression used to refer to the elimination of the excess in money supply. It would be possible to operate with a minimum of 15-20 percent inflation, but not higher than that. An economy could toelrate these levels, but not higher than these. If inflation is higher than these levels, it may get out of control.

You mentioned that at this time the excess stands at 9.8 billion pesos. I read Carlos Lage's interview. He said that by the end of this year, the money supply could exceed 10 billion pesos. An important factor is that a large portion of this amount is deposited in saving accounts—I believe about half or perhaps a little more than half of the above amount. Part of it is also circulating on the black market, in the hands of the people.

[Santana] In light of these remarks, Eloy, how is the excess in the money supply affecting the family budget; that is, that of ordinary people, of housewives?

[Concepcion] I agree only in part with what Oswaldo said. When you talk to people on the street about excess money supply, they say they do not have that money. The question then is who has that money. I believe that in addition to admitting that there is an excess in the money supply, we need to ask who has that excess money, because those of us who are living on our salaries do not have that excess. Those of us who are living on our salaries do not have that money. Nor do retired

citizens have it, because the average salary in Cuba is between 148 and 150 pesos monthly.

[Santana] It should be noted, Eloy, that 140 pesos today is nothing.

[Concepcion] Yes. I believe that our fundamental problem is now how to solve the excess in the money supply, in order to stimulate work and address all those topics mentioned by Oswaldo—and he is quite right in that respect. There is another factor that should be taken into account; that is, how is a Cuban family, how is a housewife solving her economic problem right now. We should also consider another factor; that is, the emergence of another element that will further distort the household economy. I am talking about the dollar, which is also playing a role here. Thus, we must be very careful in expressing opinions about an excess in the money supply. I believe there is an excess in the money supply on the streets. There is a great deal of money on the streets. Yet, those who live on their salaries do not have that excess; those who earn an acceptable average salary in the country do not have it.

It is also true, however, that there are a number of workers, that there are a number of people who earn higher salaries and who, because of the nature of their work, receive some additional benefits. Paternalism is also playing a role here and there are free benefits given by the state to some sectors of the population.

[Santana] Eloy Concepcion and Oswaldo Rodriguez are two journalists who observe and sound out their country's reality. Oswaldo, would you endorse Eloy's contention that ordinary workers do not have any of the excess money supply in their hands?

[Rodriguez] Yes, but first let me state my disagreement with you. Not only are we observing and sounding out the Cuban reality, but we are also living it. Eloy said that Cuban workers have not received any of the excess money supply. Well, I believe that Eloy is quite mistaken if he believes that the Cuban workers are not receiving the excess money supply. It may be true, perhaps, that the Cuban workers are not accumulating the excess money supply. This is an entirely different subject.

Each Cuban worker spends only 10 or 15 percent of his salary on the regular market; that is, on the state market. The remainder of his salary becomes excess money supply. Where does he spend it? On the black market, to pay for services at high prices. Hence, one of the causes of the excess in the money supply lies in the fact that payments continue to be made without receiving adequate service. Besides, some workers are receiving salaries without performing productive services. Many workers are receiving 60 percent of their salaries, but they are receiving it without working. There are other workers who, quoting our friend Renato Recio, are subemployed. These are workers who go to work, but in reality their work schedule does not constitute even two hours of work....

[Concepcion] Excuse me for a minute. There is also a problem in the economic distortion you are mentioning. It is true what you said. Let us now consider the situation of an ordinary Cuban family at this moment. You know there are shortages of food items. We do not have a parallel market, but the people continue to eat. When they run out of rice by the end of the month, the people resort to the black market, as you said. They pay 15 or 20 pesos per pound of rice.

[Santana] They resort to the black market because they have the money to do so. Where is the excess money supply?

[Concepcion] Well, I do not know where the excess money supply is so far as the state is concerned. The excess money supply also causes a problem to that individual who is forced to spend three or four times more than he normally earns to buy that product.

[Santana] But most of those people have the money because they sell cigars, or rum. They have the money....

[Concepcion] It is true.

[Santana] Otherwise, they would not have the money

[Rodriguez] Because they carry out some private work. We are suggesting that all the money in circulation has been illegally obtained. Well, there are really many speculators. There are selfish people who, we may say, are unscrupulous because they would rip anyone off by selling him toothpaste for 30 pesos. We all know what 30 pesos is worth and that toothpaste is not worth that much. They would sell a pair of children's shoes for 350, 400, or 500 pesos. These are speculators. There are many people, however, who are leading an honest life and are earning their money legally, for instance, a maker of handicrafts...

[Concepcion] I believe that most of the people lead an honest life. What I was saying earlier is that a wage earner who has to work in this society with the difficulties we are experiencing has no bearing in the excess money supply. The truth is that we must clarify the meaning of this word. There is in fact 9.8 billion—and we may reach 10 billion pesos by the end of this year—in excess money, in money on the streets. We know that 49 percent of this amount is in saving accounts. I believe that the fundamental problem is that with that money received by that individual, by that comrade, by that worker—either as part of his salary, contract, or pension—he cannot have access to all those products he needs so that he can balance what he receives with what he can spend. That is the truth. We do not have the level of production that would preclude the possibility of inflation.

[Santana] I believe we must clarify why there is an excessive money supply among our people.

[Rodriguez] When I said that the worker indeed plays a role in the excess money supply, I was precisely referring to the fact that the source of excess in the money supply

is the salary; that is, salaries and the currency issued by the bank, which cannot be spent on the state market. This amount of money therefore does not return to the bank. Thus, the cycle, bank-population-business-bank, does not take place. Instead, the money goes somewhere else. Let us then talk about this other situation, which is the accumulation of currency.

As Eloy said, the hoarding of currency is in principle in the hands of speculators, who are the ones causing the prices of goods and services on the black market to be extremely high because they are the ones who can afford these services and are supporting that market.

I believe, however, that we have to make it quite clear that salaries are the main cause of the excess money supply.

[Concepcion] Salaries and social security payments by the state....

[Rodriguez] And social security payments....

[Concepcion] Retirement and so forth.

[Rodriguez] I believe we have to make that quite clear.

[Concepcion] Yes, Oswaldo. Besides, this has occurred primarily because the state has discontinued its supply of certain goods and services through which it used to retrieve the money it disburses as salaries with money issued by the bank.

[Santana] We have run out of time. I want to thank you for your analysis of the excess money supply existing in our country.

* Cubans Entering U.S. Treated Poorly

94CA0021B Havana GRANMA in Spanish 13 Oct 93 p 4

[Article by Felix Pita Astudillo]

[Text] Deciding how to live one's own life is everyone's right. But if that decision means emigrating to the United States, everyone needs to know what to expect. This is especially so if human dignity matters to him, for that decision automatically makes him a second-class citizen—formally equal to Anglos, but scrupulously segregated by his status as an ethnic or national minority.

The group of Cuban citizens who forced their way into the gardens of the Embassy of Mexico in Havana are now experiencing this bitter taste of disdain. As an exception, because of good Mexican-Cuban relations, they were granted visas for Mexico.

As soon as they reached Mexico, they tried to leave for their true destination, Miami. But Washington immediately began to put obstacles in their way, charging exorbitant fees for consular forms and requiring that these forms be filled out in English, which nobody in the group knew.

The United States does not want to take immigrants through third parties, especially in the present situation, and the Mas Canosa patriarchs and Representative Ileana Ros refused to help them. Accepting them would establish a precedent for the group of 72 in the Dominican Republic or any other case in which people tried to enter an embassy with a final destination of Florida. And in Cuba's case, Washington conducts show business, not a serious immigration policy.

Eight members of the group are now involved in a second unfortunate episode. The INS [Immigration and Naturalization Service] office in Laredo, Texas, told them it will not allow them to enter the United States. Three other members of the group—perhaps because the years they lived in Cuba taught them not to rely on their hosts—decided to slip across the border illegally. They are underground in Miami.

The Laredo eight insist on going. The gringo officials have barred them from even using INS toilets in Laredo and they have to relieve themselves on the Mexican side of the border bridge. One of them, an 83-year-old man, was struck by INS agents so severely that he had to be hospitalized in the Mexican Red Cross hospital in Nuevo Laredo. Their only chance is to claim to be seeking political asylum, thus continuing the anti-Cuban charade.

For the time being, they are not even allowed to urinate in the United States. In the segregated democracy that establishes categories of citizens, not even excretions are equal. They have learned that lesson a little too late.

* Recent University Graduates Find Employment

94CA0021A Havana JUVENTUD REBELDE in Spanish 3 Oct 93 p 2

[Article by Jose Alejandro Rodriguez]

[Text] The Office of Labor and Incentives of the State Committee for Labor and Social Security told JUVENTUD REBELDE that throughout Cuba 97 percent of last year's university graduates have found jobs.

Despite the economic hardships and surplus labor force generated during the special period, the Cuban Government has guaranteed employment to 6,365 new professionals in high priority programs and sectors.

About 1,000 of these young people have joined scientific organizations and other research centers; others have found jobs in tourism and the MINFAR [Ministry of the Revolutionary Armed Forces]. Demand has been good for economists, accountants, attorneys, industrial and mechanical engineers, doctors and dentists, as well as other professionals. Even liberal arts graduates, who traditionally have more trouble finding work, have had responses this year.

The greatest difficulties have faced graduates in geology, geophysics, metallurgy, mining, and some other fields.

Only 272 recent graduates still need to find jobs. They have been placed in what is called the university graduates pool, a sort of professional group that allows them to obtain training in different occupations to prepare for a later job, or to supplement and refocus their skills at universities.

Until the professionals in this pool find permanent jobs, they receive a stipend and enjoy the same labor rights as any worker, like paid vacation time, maternity leave, and other social security benefits. They are also given priority in each placement program for university graduates.

Those who have started working begin their three years of social service, including two of training. This requires careful attention on the part of the organization that employs them, especially in terms of the educational effectiveness of the new professional's active participation and the evaluation criteria used.

While resources and determination combine in a centralized manner to help university graduates find jobs, which is not a form of paternalism, the young professional must earn his or her own space through talent and dedication.

* Statistics on Bicycle Accidents Updated

94CA0021C Havana GRANMA in Spanish 13 Oct 93 p 3

[Article by Roger Ricardo Luis]

[Text] History relates that Oedipus killed his father after a dispute about which road to take. Four thousand years after what might be termed the first recorded traffic-related death, this is becoming a metaphor for the aptly named "epidemic of the century": traffic accidents.

Cuba is not free from that dismal and alarming worldwide trend; it follows heart disease as the second cause of death in Cuba.

A report by the Provincial Office of Traffic Safety of the City of Havana says that in the first eight months of 1993, 1,319 accidents were reported, in which 266 people died and 1,051 were injured. These numbers are lower than those for 1992, by a difference of 708 accidents, eight deaths, and 252 wounded, a reduction basically attributable to the decline in automotive traffic on the highways for obvious reasons.

But sometimes appearances can be deceptive. Traffic safety concerns have grown for two key reasons: the increase in the number of bikes—from just 1991 until the present time over 1 million bicycles have been imported from China and are now in use—and the decline in vehicle density leads to excessive speed.

As bicycles are considered a suitable means of individual transport in our current conditions, we need to think about the reasons for the bike-related accidents on our roads.

In Havana, a bicycle is involved in one of every three accidents; one of every two deaths involves a bicycle accident, and one of every three injuries; for each 3.7 of these unfortunate accidents, there is one death.

Statistics report 464 accidents between January and August with 125 deaths and 395 persons injured. Although the number of accidents was down by 105 from the same period of last year, the number of deaths rose by 12. Of the deaths involving bicycles, 91 were bikers, 17 were passengers accompanying them, and 13 were pedestrians.

Bicyclists were responsible for 67 percent of the accidents in which they were involved.

What can be done? We certainly cannot, as the slang expression says, toss the sofa, or in this case the bicycle, out of the window.

We need to develop an effective, joint, systematic, and multifaceted approach to deal with the problem. Statistics list the major accident causes in this order: failure to respect the right of way; riding in the wrong direction; and loss of control. So the key factor to which priority must be given is traffic education.

Although it is insufficient in its present form, and therefore not very educational, a campaign is now being promoted by the media, especially television and radio, as they reach the most people. We need more realism in their messages to make bicyclists realize what imprudent behavior may cause on the roads.

Schools can play an important role. It would be quite worthwhile for traffic education to become part of school life. While that is being done, creative approaches should be used to enable teachers to play a part. Perhaps extracurricular activities might be used for systematic and varied programs of this type.

The Pioneer organization, other student groups, and the UJC [Union of Young Communists] should promote initiatives to help achieve the goal of guiding and educating: interest groups, bike clubs, training programs, competitions, and other activities, of which there are not enough today.

Action by the authorities is another key element. The police need to be both educational and energetic, systematic and good role models.

Finally, there is the family's role. The family bears a good share of responsibility. Concern and everyday persuasion in the home are irreplaceable. Are we really aware of our social responsibilities on the public roads?

When there is no such awareness, there is only one result. Lack of prudence carries a high price.

Correction to Zhang Boxing Meets Officials

FL1211131393

The following correction pertains to the item headlined "Zhang Boxing Meets With Officials," published in the 12 November Latin America DAILY REPORT, page 12:

Only paragraph, second to third sentences make read: ...of Cuba. Today Zhang also met with... (correcting surname)

Same paragraph, third to fourth sentences make read: ...committee for finance. Zhang described the... (correcting surname)

Haiti

Ministers Return From U.S.; Moliere 'Optimistic'

FL1511181793 Port-au-Prince Signal FM Radio in Creole 1230 GMT 15 Nov 93

[Text] Some of the members of the ministerial delegation who went to [Washington] to meet with the Haitian constitutional president returned to Port-au-Prince on 13 November, according to a government source. The team of six ministers discussed with Robert Malval, head of the government of concord, the work they did with the country's president in Washington. We learned that the government will soon rule on the questions concerning the disentanglement of the Haitian crisis. In a strong position because of the support of the president of the country, the government of concord has opted for a peaceful solution that will give priority to the outline set forth in the Governors Island agreement. Other members of the delegation are expected [to return] today, 15 November, according to the sources.

It should be pointed out that [Foreign Minister] Claudette Werleigh and other ministers took part in the OAS session held on 12 November, a session which essentially focused on the Haitian issue. At this stage, a certain optimism has been observed on the part of the government. After statements by Minister [of National Education] Victor Benoit, another member of the delegation, Dr. Jean Moliere, minister of public health, said he was optimistic as to the resolution of the crisis that has turned the country upside down since 30 September 1991.

[Begin recording, in French] [Moliere] What I can say at this stage is that [words indistinct] Haiti is concerned. I am always optimistic.

[Unidentified correspondent] Are you expecting a quick disentanglement [of the situation] or will that take some time?

[Moliere] I can't tell you that. I cannot tell. The only thing is that I believe that everybody should get down to work so we can emerge from this abnormal situation. [end recording]

Judge Calls on Public Forces To Enforce Oil Sales

FL1511181693 Port-au-Prince Radio Metropole in French 1145 GMT 15 Nov 93

[Text] The Haitian Justice Department may use a strong arm this morning to release the stockpile of oil products stored in Thor. Judge Henock Voltaire, who had enjoined Shell, Texaco, and Esso to resume their activities in Port-au-Prince and throughout the country, has called on public forces to enforce his decision. Shell and Texaco officials last week officially rejected the Haitian Justice Department decision. Shell's request for a stay was rejected by Judge Veltaire. If Justice succeeds in provoking this resumption of sales by the three companies, experts quoted by Agence France-Presse estimate that stocks will allow about seven weeks of nonrationed consumption.

Alliance Meeting Includes Senators Elected 18 Jan

FL1511225793 Port-au-Prince Signal FM Radio in French 1800 GMT 15 Nov 93

[Text] Through a communique issued on 13 November, the president of parliament's Alliance group, Senator Dejean Belizaire, convened the senators for a meeting this morning in the Legislative Palace. The note says the purpose of the meeting is to debate highly patriotic questions.

It should be noted that Alliance legislators had denounced President Firmin Jean-Louis' irresponsibility in never having convened the parliament despite the threat of intervention against the country.

This is the first meeting planned by the Alliance bloc since announcement of the return to parliament of those elected 18 January. It should also be noted that the president of this political bloc was reelected during the contested 18 January elections.

Power Company Announces Reasons for Shutdown

FL1511230593 Port-au-Prince Radio Metropole in French 1700 GMT 15 Nov 93

[Text] We were just discussing a while ago that the electricity company does not provide any explanations for the long hours of daily blackout. But we have just received an announcement from the company:

The Electricity Company of Haiti advises that it had to shut down its thermal power stations in Port-au-Prince and in the provinces due to lack of fuel. With the end of the rainy season and the decreased level in the Peligre lake, beginning 10 November, the company will no longer be able to guarantee 24 hours of power to priority circuits: hospitals, public sectors, communication centers.

The other circuits of the metropolitan area will receive a maximum of between four to six hours of electricity per

day. The company invites customers to reduce their consumption of electricity to a strict minimum in order to help the company extend service as much as possible.

The company further reiterates the obligation of all customers to watch so no clandestine power point is taken [as heard] on their installation, given this practice's inherent risk of fire and the total paralysis of the company's mobile and emergency services.

Radio Stations Announce Possible Closings

FL1511212493 Port-au-Prince Signal FM Radio in French 1130 GMT 15 Nov 93

[Text] The problem of power that inhibits the activities of radio stations in the country's southeast is also a real problem here in Port-au-Prince. Signal FM is having problems getting fuel to its generators in Delmas and Boutiliers, where our transmitters are located.

Other radio stations have announced possible closings and program suspensions, notably Radio Soleil, the voice of the Catholic Church, which risks suspension of its broadcasts due to an inability to acquire fuel. This station has announced that the electric pylons linking it to its transmitters in La Plaine du Cul-de-Sac have been sabotaged by unknown hands, compelling it to use a generator even during periods of normal electricity distribution by Electricity of Haiti.

Radio Lumiere has suspended its broadcasts of Stereo 92. Its AM/FM mono branch may also suspend its broadcast at any time. This station is already working with reduced programming.

So, there are electricity problems and fuel problems. The activities of the radio stations are difficult [to sustain.] Their activities may discontinue entirely within the next few days if this problem persists.

Bolivia

COB Orders General Strike; Demonstrations Paralyze Capital

PY1511205493 Madrid EFE in Spanish 1831 GMT 15 Nov 93

[Text] La Paz, 15 Nov (EFE)—Bolivian mineworkers, university and high school students, and railroad workers began today an indefinite general strike, along with street demonstrations, as called by the Bolivian Labor Federation (COB).

An environment of uneasiness prevailed on the streets of La Paz this morning, due to the immobilization of traffic caused by the massive demonstration called by the COB and by the constant explosion of firecrackers during that demonstration.

The demonstration, attended by thousands of people from La Paz and from El Alto, a city of 400,000 inhabitants located 14 km from downtown La Paz, covered several downtown streets. The people shouted "death" to the government and insults against Bolivian officials.

Some groups of demonstrators who were passing in front of a police post called on the policemen to join the people's struggle so as to avoid being their "murderers," while other groups demonstrated against them by hissing.

The COB, however, left open the possibility of lifting the strike and other pressures today, after a meeting of union leaders, who will decide whether to accept or reject the latest government offer.

The COB demands the rehiring of 10,000 workers at several state companies who were dismissed by the government in an effort to reorganize the public companies to begin their partial privatization.

The general strike has paralyzed mining activities, the universities, teachers (teachers and high school students support the strike), and the railroad workers, who have not provided transportation services for 40 days, according to COB leader Rufo Rivero.

Workers at the state airline company and the airport administration did not obey the strike, while bank and business employees went to work normally.

Regarding the indefinite general strike called by the Potosi Civic Committee (Concipo) last week, the committee gave the government a 72-hour truce, but other sectors of this department, which is the poorest in the country, joined the national strike called by the COB.

It was also officially reported that negotiations between Concipo and the government to define the reactivation of mining, the installation of a running water system, and other public projects will begin on 16 November.

Lifts Strike After Accepting Proposals

PY1611023293 La Paz Television Nacional Network in Spanish 0100 GMT 16 Nov 93

[Text] The COB [Bolivian Labor Federation] decided today to lift the indefinite general strike. After several union leaders expressed their opinions the COB assembly decided to lift the indefinite general strike, to accept the return of dismissed workers, and to continue talks with the government to resolve other demands.

[Begin recording] [Unidentified union leader] We have shown an ability to understand the problems of the country, to take a firm stand in the defense of our principles, and to make a very clear decision supporting the construction of a different Bolivia, a country with justice, with social peace. These are our arguments, and in this regard I think the attitude of the workers is positive. [end recording]

President Gonzalo Sanchez de Lozada ordered that his ministers taking part in the negotiations accept the

return of 600 workers of Enfe [National Railway Enterprise], of 167 leaders, and of those dismissed after 31 October. The COB leaders will meet with Catholic Church officials to reach an agreement that would guarantee the fulfillment of the agreement with the government.

ADN Leader Banzer Withdraws From Political Life

PY1511191893 La Paz Radio Fides Network in Spanish 1100 GMT 15 Nov 93

[Report by Marcelo Huanca Dorado from Santa Cruz]

[Text] [Nationalist Democratic Action—ADN—leader] Hugo Banzer Suarez' decision to withdraw from political activities was last weekend's surprise report.

In his house, across from the (?Los Pasivos) Hotel, Banzer announced on 13 November his decision to withdraw from political life in order to pave the way for other ADN leaders.

Banzer's announcement shocked leaders, media, and ADN members. The ADN leader's resignation prompted his followers to hold emergency meetings to try to convince him to remain as party leader.

Nevertheless, Banzer, along with his wife and one of his daughters, left for Santiago yesterday. It was reported that from Santiago he would travel to Miami to establish himself there.

It did not take long for other political coalitions to react.

MIR [Movement of the Revolutionary Left] leader Hormando Vaca Diez said he would like the party led by Banzer to remain as united and strong as it has been so far.

Other political parties have said this situation will change the history of Banzer's party.

ADN leader Ramon Prada said he trusts that Banzer will sooner or later regain the ADN's reins.

Nevertheless, the real reasons for Banzer's resignation were not clear. Some people point out that Banzer's resignation represents a reaction to President Gonzalo Sanchez de Lozada's (?hints). Other people say that Banzer decided to withdraw from political activities because he was tired of giving up the presidential chair. Other people say that Banzer's resignation is merely a political maneuver.

Banzer did not provide any additional explanations.

Upon leaving Viru-Viru International Airport yesterday, Banzer indicated that he had already said all he had to say and he did not want to explain the report on his withdrawal.

Mexican Secretary on Opposition by U.S. Unions

PA1211174293 Paris AFP in Spanish 1617 GMT 12 Nov 93

[Text] Mexico City, 12 Nov (AFP)—Mexican Commerce Secretary Jaime Serra Puche said during an interview published today by the daily EXCELSIOR, that confirmation of the North American Free Trade Agreement [NAFTA] by the U.S. Congress will prove "difficult" if the U.S. labor unions maintain their opposition to the trilateral plan.

Serra Puche said that U.S. labor unions are opposed to the agreement between the United States, Canada, and Mexico because they believe "it will undermine U.S. companies' capability to generate jobs." The commerce secretary said that "to the extent that this perception and the influence of the unions remains strong, the process to approve NAFTA in the U.S. Congress will be increasingly difficult." A vote is scheduled to take place on 17 November.

Serra Puche said that "certain congressmen have commitments with the unions, from which they receive considerable support," and the leaders of these unions are saying that implementation of NAFTA would lead to the loss of almost 750,000 jobs in the United States. He added that this argument lacks "analytical and statistical foundation" but it has been "sold as a central idea" to the U.S. public by Texas millionaire Ross Perot and labor leaders. According to Serra, of 45 studies conducted regarding the impact of NAFTA, 42 prove that it will generate employment in the three countries, and only three, "by organizations with ties to the U.S. unions," assert the contrary.

The Mexican secretary also said "there is uneasiness among some members of the U.S. private sector and certain politicians because Mexico could take much better advantage, without making any commitments, of contacts and trade with Asian countries." Nevertheless, he said, over the past few days the trend toward a positive vote among U.S. congressmen "is beginning to outweigh the negative vote."

Serra described NAFTA as "an historical opportunity for the three countries" and added that "if it is not implemented the United States will be negatively affected because it will lose a great deal of competition and the opportunity to enter a huge market, not only Mexico's but the rest of Latin America's." NAFTA should be viewed as just "another instrument of long-term economic policy," Serra Puche said, characterizing as "irresponsible" those people who "are attempting to use this issue as a source of political confrontation."

Menem Praises Gore on NAFTA, Comments on Pact

PY1211190193 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 12 Nov 93

[Excerpts] Argentina is the next candidate that can possibly join NAFTA [North American Free Trade Agreement] after Mexico, famous U.S. entrepreneur Lee Iacocca has predicted. [passage omitted]

President Carlos Menem expressed Argentina's unconditional support for NAFTA. [passage omitted]

[Begin Menem recording] Until a short time ago, the aspiration of these nations and governments was rather difficult to accomplish. Yesterday, however, following a controversy that spread all over the world, the firmness and talent and precise remarks by the U.S. vice president made it quite clear what is expected from this integration process in a free trade zone.

Integration will also permit the acceleration of other processes in the rest of the continent, like Mercosur [Common Market of the South], the Andean Pact, and the integration of vast sectors of the community and of Central American countries.

Many obstacles have been overcome. I believe this is beneficial to the entire continent. It will make it possible for us to rapidly engage in competition with other integrated blocs in the rest of the world. United we stand, and these are processes that promote union among nations. [passage omitted] [end recording]

Chilean Minister on Possible Failure of NAFTA

PY1511220193 Madrid EFE in Spanish 0919 GMT 15 Nov 93

[Report by Nelson Sandoval Diaz]

[Text] Santiago, 15 Nov (EFE)—The Chilean Government will reinforce its trade relations with Latin America and will unreservedly defend world trade liberalization if the U.S. Congress rejects the North American Free Trade Agreement (NAFTA).

This has been the position outlined over the past few weeks by Chilean entrepreneurs and politicians, and reiterated in the past few days by Finance Minister Alejandro Foxley, who added that it would be a serious mistake to change the government's policy of economic openness.

Chile has been mentioned by U.S. President Bill Clinton as the next candidate for a free trade agreement with the United States following, of course, the ratification of NAFTA with Mexico and Canada. It is still being discussed, however, whether it would be more suitable for Chile to have a separate agreement, or to simply join the U.S.-Mexican-Canadian NAFTA.

The government and the private sector have agreed on the importance for the country—which has based its economic growth on exports (averaging a growth in gross domestic product of 6.4 percent since 1989)—of the creation of a large free trade zone on the American continent.

This is why an eventual failure of NAFTA in the U.S. Congress is seen with concern, but without too much

alarm. According to Foxley and other Latin American personalities, our countries are prepared to compete in the context of commercial blocs and increasing protectionism.

Alejandro Foxley said in Washington on 3 November that the rejection of NAFTA by the U.S. Congress might even be "a blessing in disguise" for Latin America, because it would speed up Latin America's own integration processes and the diversification of its trade relations.

Foxley, who presided over the World Bank and IMF Development Committee for two years, recalled that the countries in the region are already linked by bilateral or subregional free trade agreements, adding that it is only a matter of time before those nations form a single bloc, with enough strength to negotiate with other blocs.

In Foxley's opinion, behind the doubts regarding NAFTA and the Uruguay Round of the GATT talks is the industrialized countries' lack of political willingness to advance in liberalizing world trade.

On 10 November Foxley said in Santiago that if NAFTA and the Uruguay Round of the GATT talks fail, the government will make an in-depth revision—not of the Chilean policy of openness, "which is the correct policy," but of the strategies for entering national products in industrialized nations' markets.

World trade in the next years or decades will be administered and access to markets will follow harsh negotiations, product by product, through direct negotiations between states or between groups of countries, Foxley said. The minister said the Chilean economy must have more political power, and must seek to coordinate efforts with other nations with similar development levels "and with the willingness to continue participating in world markets."

The Chilean Government and entrepreneurs have been very critical of industrialized countries, stressing that they "are afraid of competing" after "having taken advantage of developing countries' market opening policies," particularly in Latin America. "Commerce is not a favor made by industrialized countries to developing nations," Foxley repeatedly said. But it will be the almost sure winner of the next Chilean presidential elections, the Christian Democrat Eduardo Frei, who will have to struggle with the negative consequences of NAFTA and GATT failures.

Senator Frei, the favorite to win the 11 December presidential election, said that NAFTA is very important for all Latin American countries, and that it would be "a bad signal" if it fails, though adding that for Chile the agreement "is not too essential."

Frei recalled that Chilean trade is distributed in three main areas, adding that the U.S. market is just as important as European and Asian markets, while the importance of Latin American markets has grown significantly.

Trinidadian Minister Sees Advantages in NAFTA

FL1311022593 Bridgetown CANA in English 2029 GMT 12 Nov 93

[Text] Port-of-Spain, Trinidad, 12 Nov, CANA—While some Caribbean Community (Caricom) member states are worried about the impact of the North American Free Trade Agreement (NAFTA) on their economies, Trinidad and Tobago is singing a different tune.

The country's trade and industry minister, Brian Kuei Tung, said Friday that NAFTA which will transform Mexico, Canada and the United States into a large integrated market, will provide some advantages to the country. Stating that NAFTA was based on the principle of trade liberalisation, Kuei Tung said it was on the basis of that, the government here initiated a programme of structural adjustment which was designed to strengthen the country's external competitiveness and promote export-oriented growth.

Some of the measures already taken by government include the introduction of a medium term trade reform programme which was characterised by lowering of tariff barriers, virtual elimination of quantitative restrictions and controls, and "significant" efforts aimed at trade facilitation. It also involves the removal of price controls, divestment of state enterprises and a programme of tax reforms.

Kuei Tung noted that efforts were also directed towards the elimination of institutional and legal constraints to foreign investment, while in April, the country liberalised the foreign exchange regime and floated the dollar. The minister told members of the American Chamber of Trinidad and Tobago (Amcham) that maintenance of trade links with the United States was essential to Trinidad and Tobago since the domestic and Caricom markets were still too small to sustain the development of certain industries here.

"NAFTA is designed to deepen economic liberalisation and economic integration in the region and because Trinidad and Tobago has already implemented liberalisation and structural reforms measures, it is favourably placed to exploit the favourable access conditions available under NAFTA," Kuei Tung told the Amcham members. He said the country can also gain substantial benefits from the extension of market access provisions to products such as petroleum and methanol, which are excluded under the Caribbean Basin Initiative (CBI). "In fact, the grant of such concessions can only serve to boost those particular industries when one noted that methanol and petroleum are major export from Trinidad and Tobago," the trade minister said. He added that the U.S. accounted for more than 90 per cent of petroleum exports last year.

Also last year the sector accounted for 24.7 per cent of the country's gross domestic product (GDP), 40.5 per cent of government revenue and 82.4 per cent of foreign exchange earnings. "Another area which will benefit from the proposed agreement is the swen-products sector (apparel, footwear, flat goods, luggage) where it is estimated that over 1900 jobs have been created within recent years in Trinidad and Tobago," he said. "The proposed reciprocal reduction in trade barriers would translate into increased market penetration opportunities for both local and foreign entrepreneurs thereby generating jobs, additional income and foreign exchange."

'Harsh Truth' of NAFTA for Caribbean Noted

FL1211164393 Bridgetown CANA in English 1451 GMT 12 Nov 93

[Text] Bridgetown, Barbados, 12 Nov, CANA - Following is the text of the editorial in the WEEKEND NATION newspaper:

Few Barbadians outside the circles of economic analysts and business people will have paid more than casual attention to the debate about the North American Free Trade Agreement (NAFTA) now current in the United States. Such popular negligence is not surprising; indeed, it is entirely understandable, given general acceptance of the inferiority of the status of the Caribbean in its relations with the super power to the north. However, it may be worth while remembering that more than a hundred years ago a president of the United States enunciated a doctrine which established this hemisphere as what might be called a territory of concern to his country. So far as we can tell that responsibility has not been abrogated.

Last Tuesday night the vice president of the United States and Mr. Ross Perot, aspirant to the presidency, debated the question of their question of their country's entry into the NAFTA agreement. Not a word about the Caribbean Basin. It would be unrealistic to expect the Caricom states to be explicity included in the considerations of any of the three NAFTA partners. And it would be equally naive to expect them to promote products or facilities which have potential for competition or rivalry with any of their own. The bauxite industries of Jamaica and Guyana and, of course, tourism are the most likely to benefit from the extended market and any economic fallout from NAFTA.

The harsh truth is that the Caricom [Caribbean Community] bloc cannot reasonably expect any preferential treatment from NAFTA, nor, it may be noted, can the six small, poor republics of Central America who have recently signed an agreement for free-trade among themselves to prepare the ground for any deeper political harmonisation that this may engender. Edward Orlebar, writing recently in the FINANCIAL TIMES pointed out that "while short on binding measures or concrete commitments, this agreement is an important statement of intent to strengthen regional integration in the new realities of Central America."

The creation of NAFTA is a salutary reminder that the direst threat to the continued pauperisation of the Caricom countries is their continuing stubborn refusal to end the scourge of separateness among these poor island states.

Ω Preference for Quebec Products Claimed

94P20080A

[Editorial Report] As part of a Quebec Government-private sector initiative called "Springboard Mexico," the consultancy firm Geomar International has organized a food trade show for November in Mexico, involving 16 representatives of Quebec's food processing sector, reports the 22 October Montreal daily LE DEVOIR. Geomar Director Philippe Lorenzi is quoted by the paper as saying that Quebec farm products enjoy a good reputation in Mexico for image, quality, and taste, and are preferred over U.S. products, which tend to be seen as "industrial and without taste." Among the participating companies are Vins La Salle and Cellier du Monde (wines), Madelipeche and Gasp Cured (fish), Laboratoire Lalco (vitamins and teas), and Lassonde (juices).

Lorenzi reportedly hopes that within six months the trade show will produce "concrete results," not only sales but the establishment of permanent links with Mexico. LE DEVOIR further notes that company participation in the "Springboard" initiative is subsidized, with each participant paying only C$1,500 of the C$6,000 participation fee and the remainder being funded by provincial and federal ministries involved in export promotion.

Political Parties To Receive $66.4 Million

PA1111045493 Madrid EFE in Spanish 0259 GMT 9 Nov 93

[Text] Mexico City, 8 Nov (EFE)—The Mexican Government will earmark $66.4 million for the political campaign budgets of those parties that will participate in the 1994 presidential elections, the Federal Electoral Institute (IFE) reported today. An IFE spokesman explained to EFE that the official budget for the political parties will be independent of those funds they can collect on their own, according to the current legislation.

Various analysts believe that the ruling Institutional Revolutionary Party—in power since 1929—will spend more than $100 million on the presidential campaign. The overall budget for the political parties represents 12.2 percent of the $502.3 million that the IFE will spend on the 1994 elections. A total of 43.2 percent of the budget will be used to purge the voters' registrars and for the program to distribute voting credentials that feature the individual's photograph. The other 56.8 percent will be used for the 1994 electoral process.

The recent electoral reform sets a limit on the amount that can be spent on the political campaign, taking into account the size and the number of voters in the region. Nevertheless, the IFE has not yet fixed this amount. Moreover, the IFE prohibits agencies, parties, organizations, and individuals associated with foreign governments to contribute to the Mexican political parties.

Government Tries Again To Sell Newspaper

PA1111033693 Paris AFP in Spanish 1552 GMT 9 Nov 93

[Text] Mexico City, 9 Nov (AFP)—The conditions for selling EL NACIONAL, the Mexican Government's official mouthpiece, were announced by the Treasury Ministry on 8 November. Conditions to sell the newspaper by way of public bidding should be finalized by 21 January at the latest.

EL NACIONAL, which was founded in 1928, publishes a capital edition, as well as local editions in Guanajuato, Monterrey, Tijuana, and Hermosillo—all of which are included in the sale. The government already has sold the television stations it owned, and an initial public bid to sell the newspaper failed after no offers were received.

This time, however, the government dismissed the more than 1,000 EL NACIONAL workers, but then rehired a large number of them on a temporary basis. In this way, previous labor conditions were eliminated.

In the current bid, those who will be allowed to participate are "only those groups of investors that are not directly or indirectly linked to companies that edit daily newspapers or that have a nationwide local circulation or that have large interests in companies where units they wish to acquire are located."

* Vicente Fox Cites Grievances Against Salinas

94CA0026B Mexico City PROCESO in Spanish No 883, 4 Oct 93 pp 16-19

[Report of interview with PAN official Vicente Fox by Guillermo Correa at the San Cristobal Ranch, Guanajuato, Guanajuato; date not given]

[Text] Guanajuato—As an act of moral protest, Vicente Fox Quezada, businessman and National Action Party (PAN) warrior, is withdrawing from politics for as long as President Carlos Salinas de Gortari "remains in power," he says. Fed up with a situation that he considers intolerable, he explains the reasons for his decision:

"Because it seems to me that there is more deceit and dissemblance than ever. Because in day-to-day political activities, we have lost sight of what I think is the real, abiding, immediate goal, and that is to democratize Mexico, to give our country the good government it so badly needs, to change and transform the structure, which is now characterized by duplicity and the absence of the rule of law. And above all, change must come about because the vast majority of Mexicans are still unrepresented, without voice or vote."

Fox, who originally wanted to run as the PAN candidate in the 1994 presidential elections but was prevented from doing so despite the amendments to Article 82 of the Constitution, which prohibited anyone whose parents were foreigners from running for that office (they may not do so until the year 2000), emphasizes forcefully:

"History will judge Salinas's term harshly," since his greatest achievements have been "restoring the atrocious and destructive presidency to its position above the law, the Constitution, and the sovereignty of society and the citizenry" and "restoring the PRI [Institutional Revolutionary Party] electoral machinery's capacity and efficacy so that it can continue imposing governments through electoral deceit. The only difference is that now it can do so without leaving any fingerprints. That is why you can say that Salinas has blocked the way to democracy."

Visibly irritated, waving his arms insistently and raising his voice so that he can be heard even outside his office, the former PAN candidate for governor of Guanajuato contends that the country's plight is more hopeless than ever, given the isolation of society and the citizenry, "given the neglect, the lack of opportunity, and the frustration that have plagued so many parents, so many despairing mothers, so many aimless youth who have no sense of accomplishment in their lives. We are given little or no incentive to paint a picture of better opportunities for the many, many children who are coming up behind them."

He complains, "All this we owe to Salinas, as the number-one charlatan in this country. Even though he is

just another of the many presidents who have been inflicted on Mexico, viceroys who are heirs to an oligarchic legacy, forced to maintain the revolutionary dynasty and turn it over intact, he is accepted, albeit with a certain amount of cynicism, whether conscious or unconscious, as a democratic reformer, when he is not that at all."

During the interview, which was conducted at the facilities of the San Jose cold storage plant on the San Cristobal ranch, near this city, the man who was once a federal deputy and coordinator of the PAN shadow cabinet never tires of criticizing what has been done during this presidential term.

Speaking of the free trade agreement, he says, "I think they dragged us into NAFTA [North American Free Trade Agreement] using a powerful propaganda machine, on orders from the Americans to give us a bath, saying we need to improve our environment and be more efficient in production. The gringos have ordered us to get rid of our lice, when what they really want to do is strip us of what little we have left in this country, to their own benefit.

"For that reason, I think it is essential that we regain our bargaining power, our sovereignty. And it can only be regained by planting a democratic seed, with legitimate government officials who emerge with support from the citizenry. This legitimization and moral authority, which democracy provides through serious and open electoral processes, is what will enable us not only to negotiate good deals with other countries, but also to benefit from international trade agreements.

"But as long as Salinas continues to run into the complaint by foreigners that there is no democracy here, that there is no respect for the vote, he cannot negotiate from a moral position."

Fox says that his temporary withdrawal does not in any way mean that he is "chickening out." He thinks that stepping aside at this moment is an act of strong political activism: "I think I am morally discrediting Salinas and everything he has promised the country. I am taking this action against a system that has a double standard."

[Correa] Will you remain a member of the PAN?

[Fox] Of course, I have not resigned from the PAN, because I firmly believe in its ideology, in its struggle to democratize the country. I only hope that my abstention is temporary, for the rest of the presidential term, because if Salinas is reelected it could last another six years.

[Correa] Have you ever spoken to President Salinas de Gortari?

[Fox] Just one time, when I first entered politics. It happened in Irapuato. We were staging a serious protest against the *caciques* who were running the *ejidos* here. Personally, face to face, I described to him my vision of the country. I spoke to him about the disaster in agriculture, agroindustry, and the entire agriculture-livestock model.

On that occasion, my main complaint was about the lack of democracy and the plight of all those who are active in the opposition, seeing their property, families, and personal safety threatened. That was five years ago. At that time he talked of change, of transforming the country politically and economically. He continues to blather on about that, but we have not seen any evidence of it.

Vicente Fox acknowledges that these promises led to a favorable vote on the Federal Code of Electoral Institutions and Procedures (Cofipe) in the previous electoral reform, based on the notion that there would be enough political will to make a change in electoral practices after the amendment to the law. "But that did not happen. The tricks have changed, but the bottom line is the same: a complete absence of fairness and equality in elections."

Thus, "Salinas de Gortari has killed any hope for change that existed in the country, because he simply inherited his power; he did not win it through electoral legitimacy, and he will have to do the same to the person he designates as his successor."

He believes that "Salinas clearly plans to impose his candidate with between 63 and 65 percent of the vote, as we have already seen in the most recent elections in Coahuila, Mexico State, and right here in Guanajuato." He wonders, "In what country on earth is there electoral certainty? Is uncertainty in elections not one of the essential components of democracy?"

He feels that the PAN needs a presidential candidate who knows for sure that he will be participating in an unfair fight, without democracy, and that this political model must be done away with.

[Correa] And given the current state of affairs, when do you think this model will be done away with?

[Fox] Well, given the compact group that took over with Salinas, I would say that they will try to remain in power for three to five presidential terms. I think the real and final verdict on Salinas's presidential term will come in 20 years. If, by that time, we still have this regime holding all the marbles, with zero participation among the political parties and society, then we will have confirmed that this compact group had no purpose other than to keep power in their hands forever. If things have changed by then and we live in a true democracy, Vicente Fox will be the first one to acknowledge that the policy of gradualism, the idea of taking one little step at a time, has yielded results.

Then he asks himself, "Where are we headed? Since the dictatorship of the party began in 1929, the people's first expression was freedom of religion, and it was brutally repressed. In the cases of Vasconcelos and Almazan, the vote was not respected. Then came 1968, when society

demanded political opportunities and a say in decision-making. In 1988, we saw society express itself with extreme clarity, once again calling for respect for its dignity, for its vote, for the right to elect its own leaders; and once again, it was controlled and repressed. We have gone from brutal violence to the violence of electoral fraud.

"What lies ahead for us if this is not fixed? In all of my travels, I can sense the irritation, the brutal despair. And if this continues, sooner or later we will see the expression of these emotions in the streets, in the public plazas. Not the violence of revolutions, because the material elements are not present and that is not the solution. But what we can foresee is that the workers will take back their right to strike, and they will stage demonstrations, as we are now seeing the farmers do in Jalisco. That could happen all over the country."

In the meantime, he believes, we will see a continuation of what is happening every day: thousands of Mexicans leaving the country in search of employment and subsistence abroad, because the situation remains unresolved here.

"That is why it is imperative that we abandon this political model, that we provide the escape valve that is democracy, strengthened structures and institutions, and above all, the moral authority that our leaders need to make decisions."

He also feels it is very important to devise "an economic plan that will allow us to create wealth and distribute it fairly. Because it is absurd to think we can go abroad and compete with those who hold all the aces, without solving the fundamental problems of our nation. In this regard, Solidarity has not been the answer, because the statistics show that the level of poverty and the distribution of income have worsened considerably in the current presidential term."

[Correa] You say that you are withdrawing from political activity for as long as President Salinas remains in power, but you have also insinuated that he will try to stage a disguised reelection. If so, when would you return?

[Fox] I think that one of Salinas's goals is to stage a disguised reelection, which is what all presidents have aspired to when they have allowed the power to go to their heads. Nevertheless, since my abstention from politics is a moral stand against Salinism, I will be ready to continue doing battle as soon as he is out of power. For me, this decision is one more battle; it is political activism, even though it appears to be the opposite. Some say that I am running away and that I am pulling a fast one, but that is absolutely false.

I have taken this stand because Salinas has deprived me of the governorship of Guanajuato and of participating in the 1994 presidential campaign, and above all, because he is outrageously defrauding the people.

[Correa] But your party, the PAN, will participate in that contest. It already has a precandidate (Diego Fernandez de Cevallos), and in a way it is casting its lot with this electoral process. It even approved constitutional amendments that authorize the next election.

[Fox] National Action has always done that: participate in all federal, state, and municipal contests. And it does so with the profound conviction that this is the way to defeat this dictatorship, that perseverance is what will bring Mexico to democracy once and for all.

In this regard, my opinion, on which my decision is based, differs. We should not endorse electoral processes such as those in Guanajuato, Coahuila, or Mexico State, where the abuse and indiscriminate use of public funds is a constant.

[Correa] Do these developments make Vicente Fox believe that his party has reached high-level agreements, specifically, that Diego Fernandez de Cevallos has done so?

[Fox] I would never point my finger in that direction. I point it clearly at Salinas, at Los Pinos [official presidential residence], at the Interior Secretariat, because that is where the obstacle lies, preventing this country from attaining a political democracy commensurate with the degree of modernity which Mexican society claims today.

[Correa] Why Salinas and not the system?

[Fox] Well, because the only political activity is at Los Pinos. Every single decision comes from there. That was true with Article 82, when Los Pinos and Salinas decided to include that transitory provision that prevented me from being the PAN presidential candidate (PROCESO 878).

Vicente Fox says that now he will return to the social work he has always performed in the community: "I will strive to participate more actively in the business associations that I still lead, from which I had to withdraw because of time constraints. I hope to continue meeting my civic and social responsibilities to both Guanajuato and my community. In addition, I will tend to my little businesses in this difficult economic crisis. And finally, I will spend time with my children, who are my most sacred and important obligation, my driving force."

He says that what finally forced him to make the decision to withdraw was the resignation of Pedro Hernandez as secretary of public works of the State of Guanajuato on Wednesday, 29 September, because of a "minor administrative error." He explains that he is not opposed to the punishment, but he does oppose the "real villains, such as former Governors Rafael Corrales Ayala and Ramon Aguirre Velazquez, both of them PRI members, who are running around scot-free even though criminal charges have been filed against them for using more than 10 billion pesos in public monies in the elections held recently in the state."

Regarding the PAN, he does not feel he has anything to complain about. He believes that it has taken the path of political civility, "a path that leads us to believe that there is democracy, or that we are very close to having open electoral processes, and that it is therefore time to act."

"In this sense, the PAN faction that is now in power thinks that the three governorships, the 100 municipal presidencies, and more than 15 percent of the national population governed by the PAN are proof that things are going well and that soon they will be given more positions of power.

"It is one way of doing things, and it will certainly be successful. My question is when. If we project this route linearly, we see that it will take us approximately 500 years to win half of the governorships or the municipal presidencies."

In Vicente Fox's view, the better way is to go out to the ranches, to hit the campaign trail, to see the poverty and despair, to hear the citizens' demand "for change." It is to realize, he says passionately, "that today anyone who can make decisions quickly, who boldly goes after prosperity, is successful, and, therefore, I am one of the impatient ones. And there are a large number of impatient people in the PAN, who feel that we cannot go on deluding ourselves, that it is time to solve this political problem that has been plaguing our country for so long."

"This segment, which represents the Mexico that I see when I go out into the streets and talk to the citizens, cannot be ignored. It is the people who see that the glass is half empty: All those kids who are pulled out of school at eight or 10 years of age because they have to contribute to the family earnings, those thousands of people who have to sell things on street corners all over the nation to make a living; the peasants who have absolutely no access to culture or to self-actualization; all those girls, 12 or 14 years old, living on ranches, who have nothing to do because there are no opportunities, nothing but waiting to be taken away to get married so that they can serve their husbands and eat beans and tortillas for the rest of their lives. Where is the dignity of these Mexicans?

"This cannot remain in the hands of the technocracy of economists, who are neoliberals through and through, the new Santa Annas who are selling our country to the foreigners." Vicente Fox concludes furiously.

Costa Rica

Government May Resort To U.S. Courts in AFL-CIO Case

PA1611031493 San Jose Radio Reloj in Spanish 0100 GMT 16 Nov 93

[From the "Radio Reloj" newscast]

[Text] Costa Rican President Rafael Angel Calderon Fournier has said that if the AFL-CIO's charges against our country are not withdrawn by the end of the month, Costa Rica will resort to the U.S. courts. The president believes that Costa Rica has proven that it does respect the labor and union laws which no other country—not even the United States—has.

The AFL-CIO has refused, however, to withdraw the charges it presented before the U.S. Department of Commerce. This creates a problem for Costa Rica, because it could be eliminated from the general preferential system, thus seriously affecting the country's economy, and the government is not taking this lightly.

Even though the Costa Rican Government trusts that the U.S. Government has enough proof to overrule the AFL-CIO's charges, President Calderon Fournier said that all of the legal angles will be studied. Costa Rica is determined to resort to the U.S. courts, because it believes there is no reason why these charges should not be withdrawn. The AFL-CIO claims that the Lacsa Airline pilots were fired in violation of the current laws; the government has said, however, that the airline is a private company and that the matter should be handled by the courts of justice, rather than by the government.

El Salvador

President Says Only Executive Branch To Investigate Murders

PA1511203493 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 15 Nov 93

[Report by Dagoberto Correa from the "Facing the Moment" newscast]

[Text] On Monday [15 November], President Alfredo Cristiani rejected the possibility that a special commission would investigate activities of the lethal death squads. He said that investigations of politically-motivated crimes will be handled by the Executive Branch. The Human Rights Ombudsman's Office will not take part in such investigations because, according to Cristiani, the humanitarian organization is conducting its own investigation. President Alfredo Cristiani forgot to mention that the Human Rights Ombudsman's Office is part of the Executive Branch. He noted, however, that this office will only cooperate [words indistinct].

[Begin Cristiani recording] We have to take into account that the Security Council asked that certain institutions, which are not under the Executive Branch's aegis, cooperate with the government. Why? Because the government is responsible for complying with the peace accords. Logic thus dictates that this be the procedure followed. However, this does not prevent other institutions with their own mandates from conducting independent investigations. They do not have to wait to be called on to do this. There are officials who are not in the Executive Branch, for example people in the Attorney General's Office, who are empowered by the Constitution to investigate crimes. [Words indistinct] if such cooperation were requested, we would give it. [end recording]

The president declined to announce the results of UN envoy Marrack Goulding's visit. He said that some matters remain to be resolved.

[Begin Cristiani recording] Well, I can't go into details. I don't know if he will say anything when he leaves the country; I understand he'll be giving a news conference. However, we agreed with him yesterday that we would wait until the UN secretary general was briefed on everything we accomplished. I can only tell you what I have just said: At no time has the government opposed cooperating with institutions outside the Executive Branch in investigating these illegal armed groups. [end recording]

The UN envoy's visit was designed to expedite implementation of the peace accords, as well to ensure compliance with the Truth Commission's recommendations regarding [words indistinct] death squads.

Alfredo Cristiani also asserted that there is no crisis in complying with the peace accords.

On another topic, he added that results are still pending in the investigation of corruption in several ministries and [word indistinct].

UN Envoy Announces Accord on Panel To Probe Death Squads

PA1511200193 San Salvador Radio Farabundo Marti Network in Spanish 1819 GMT 15 Nov 93

[Report by Mike Lanchin for the "Facing the Moment" newscast]

[Text] Good afternoon, Daniel. Good afternoon, listeners of Radio Farabundo Marti. We have the following report: Marrack Goulding, UN under secretary general, has said a commission to investigate the death squads has nearly been formed. It will be formed by representatives from the government, the Human Rights Ombudsman's Office, and Onusal [UN Observers for El Salvador].

After conducting intense negotiations well into last night, the UN mission led by Marrack Goulding managed to work out nearly all details on the creation of the Investigation Commission.

Nevertheless, Goulding told the press at noon today that there are still some points to be worked out concerning

this Investigation Commission, adding that the final results will be disclosed shortly by UN Secretary General Butrus Butrus-Ghali.

[Begin recording] [Goulding, in English fading into Spanish translation] The discussions focused on establishing an investigation mechanism that would include the Salvadoran Government, the Human Rights Ombudsman's Office, and the Human Rights Division of Onusal. We have kept the FMLN informed about the progress of these talks, because it is a party to the peace accords.

We have achieved a great deal of progress. In fact, we have reached agreements on almost every point. There are one or two points I need to bring to the secretary general and discuss with him in New York, and I am going back to New York to do that today. But I would like to emphasize that the great majority of the principles that will govern this investigating mechanism have been agreed upon. [end recording]

Marrack Goulding will leave the country today after a week of talks and consultations, which came in the wake of the recent wave of political assassinations. Goulding refused to comment on the role that this investigation commission of the activities of death squads will play, and he just said that nearly all points concerning the above-mentioned commission have been resolved.

This was a report for Radio Farabundo Marti by Mike Lanchin.

Guatemala

Army Rejects Military Solution To Government Crisis

PA1611011693 Mexico City NOTIMEX in Spanish 2258 GMT 15 Nov 93

[Report by Jose Luis Castillejos]

[Text] Guatemala City, 15 Nov (NOTIMEX)—The Guatemalan Armed Forces today rejected the idea that the country's political crisis can be overcome through military intervention (a coup), as political and popular sectors have suggested. Colonel Alvaro Rivas, head of the Army's Information Department [DIDE], told NOTIMEX that the military sector "does not favor solving the hard way" the problems that are up to the politicians to settle.

In addition, Catalina Soberanis, former Congress president and assistant leader of the Christian Democratic Party, said yesterday that the country has two alternatives, a de facto one (a coup) and a juridical one (elections ahead of schedule).

The Army, however, has insisted that all political and constitutional alternatives must be investigated. The Army says that, as an institution in charge of guaranteeing sovereignty, "we will not participate in or approve a military coup." "Every time a coup takes place, the country is set back 20 years. We cannot return to the past, nor will we apply military measures."

Soberanis, who is also vice president of the Latin American Parliament, said the most appropriate solution to the country's crisis is to hold elections ahead of schedule to renovate the Congress and shorten President Ramiro de Leon Carpio's term.

Former Guatemalan president Vinicio Cerezo (1986-91) has said that the Guatemalan people admit the country is adrift in a climate of instability and restlessness, which can be detected in various social circles. "We are concerned about violence, the constant increase in the cost of living, and, of course, the political instability's effects on the country's economic development."

Dionisio Gutierrez, president of the Chamber of Free Enterprise, has pointed out that the quickest solution would be for De Leon to emulate Russian President Boris Yeltsin, who dissolved the Congress with the help of the military.

Cerezo has said that dialogue is the the only way to break the political impasse that immobilizes the executive and renders the country difficult to govern. "Any violent solution attempted outside the framework of the country's institutions represents a backward step. On the contrary, any solution within the country's institutions is a step forward in the consolidation of democracy," he said.

URNG Rejects Reports of Levying 'War Tax' Against Farmers

PA1611035593 Mexico City NOTIMEX in Spanish 0938 GMT 13 Nov 93

[Excerpt] Mexico City, 13 Nov (NOTIMEX)—The Guatemalan National Revolutionary Unity (URNG) has rejected here reports that its members have levied the so-called "war tax" against farmers at the southern coast of the Central American country.

Luis Becker, spokesman for the rebel organization in Mexico, told NOTIMEX on 12 November that "the URNG rejects campaigns of disinformation, discredit, and confusion promoted by the Guatemalan Army staff through military intelligence services."

"The Armed Forces' objectives are to delegitimize the URNG as a valid representative in the negotiation process in search of a political solution to the internal armed conflict caused by the Guatemalan crisis," Becker said.

The military's accusations of kidnappings of farmers and charges of a "war tax" are part of a "publicity campaign to hinder the resumption of the peace process," said the member of the Political-Diplomatic Commission of the Guatemalan rebels.

Becker accused "minority, yet powerful, obscure sectors" of being unwilling to "make the slightest change in the dramatic situation facing the country" and of opposing a political solution to the conflict.

Manuel Conde Orellana and Generals Marco Antonio Gonzalez and Julio Balconi, former members of the government peace commission, and members of business associations accused the rebels of charging the so-called war tax.

They have reported that the guerrillas sent letters to Guatemalan farmers pressuring them into paying large sums of money.

Conde Orellana told NOTIMEX that he had talked with guerrilla Commander Rodrigo Asturias, alias "Gaspar Ilom," who told him that guerrilla commando units would charge a war tax to prove they are powerful.

Figures of the Military Intelligence Directorate (D-2) of the Defense Ministry show that the Guatemalan guerrillas reportedly collected $42 million from kidnappings, war taxes, extortions, and robberies between 1978 and 1994.

William Hempstead, National Coffee Association (Anacafe) president, has confirmed that several farmers received extortion letters, "but there are no specific reports."

"This method was common in the past, but during the last two years the guerrillas have left the farmers alone," he added.

Luis Reyes Mayen, Guatemalan Chamber of Agriculture president, regretted the lack of a joint national "defense plan" with the authorities to stop the violent wave promoted by rebel groups.

Reyes Mayen said that the escalation of violence could prevent investments in the country. This is why he has demanded that Ramiro de Leon Carpio's administration adopt immediate measures to restore public order. [passage omitted]

Police Apprehend 23 Illegal Chinese Immigrants

PA1111043993 Panama City ACAN in Spanish 1548 GMT 10 Nov 93

[Text] Guatemala City, 10 Nov (ACAN-EFE)—In Huehuetenango Department, Guatemalan Treasury Police have captured 23 Chinese illegal aliens who were trying to enter Mexican territory from Guatemala.

Treasury Police sources said the Chinese were detained at the Las Guacamayas checkpoint at the border between Mexico and Guatemala on Tuesday [9 November]. The sources added that the Chinese tried to enter Mexico on foot while on their way to illegally entering the United States. The illegals reportedly had no personal identification papers. They are being temporarily detained at the immigration department in Huehuetenango, where they are awaiting deportation.

Two boats with 55 illegal Chinese immigrants aboard were seized in the Pacific Ocean off Guatemala on 28 July. This group was deported in mid-August. Eight Dominicans, one Mexican, and one Nicaraguan also were detained in October.

Nicaragua

UNO, FSLN Politicians on Chamorro's 'Brusque Remark'

PA1611021493 Managua EL NUEVO DIARIO in Spanish 13 Nov 93 p 2

[Report by Aura Lila Moreno]

[Text] UNO [National Opposition Union] and Sandinist National Liberation Front [FSLN] politicians agreed in terming as a "brusque remark" the statement by President Violeta Barrios who warned in Austria that she would abandon her post if the Nicaraguan people vote for a constituent assembly instead of accepting reforms to the Constitution.

"The situation that prevails in Nicaragua is not the most appropriate for a president to state that she will leave if a given event occurs," said Doctor Miriam Arguello, adding that Dona Violeta shows a lack of responsibility with those statements.

In her opinion, "at this point, what a president must state is that she will strive in earnest to achieve a national agreement between the two leading political groups," meaning the FSLN and UNO. "That is what I would say if I were the president," the conservative leader said.

To Respect Constitutional Terms

Sandinist Deputy Jose Leon Talavera expressed himself in almost similar terms by saying that the first commitment of the people and especially of the president is to respect the constitutional terms. "Strengthening democracy in Nicaragua requires this commitment to be made along with a new strategy of national understanding," he said.

Dr. Arguello, Talavera, Dr. Sergio Garcia Quintero [a member of the Liberal Constitutionalist Party], and Deputy Carlos Gallo participated in a new Radio Sandino program called "Face to Face." After explaining in detail the recent meetings being held by the UNO and the FSLN, the politicians gave their opinions regarding the latest Bishops Conference message.

According to a news agency, Mrs. Violeta said in Austria that she would accept changes to the Constitution after holding talks with all political forces and the Church, "but the day Nicaraguans refuse to make those small changes to the Constitution—which I inherited—Violeta will go home, and they will have to work it out among themselves."

To Unite Citizens

Interpreting the president's statements, Presidency Minister Antonio Lacayo said that by being the highest-ranking law, the Constitution must serve to unite citizens and "clearly emphasize the national interests to which we all have to subject ourselves."

According to Lacayo, that is why the government believes that the best way of conducting constitutional reforms is by promoting a consensus among society so that with each change the Constitution "may become a law capable of uniting this society, which has been divided for more than a century."

Even though they criticized Mrs. Violeta due to her rejection of the constituent assembly, the politicians said they disagreed with the bishops' position calling for a plebiscite so that the people could decide if they prefer constitutional reforms or a new Constitution altogether.

Conducting a Plebiscite Is Unreal

"A plebiscite would be the ideal thing under normal conditions without the enormous pressures being experienced by the country both internally and abroad," Garcia Quintero said.

Garcia Quintero added that the Bishops Conference criteria is not feasible not only due to the huge economic expenditures the country would have to make, but "due to the enormous effort that would have to be made by a tired country which is almost defeated by the situation. The country would have to start registering all of its citizens on four different Sundays, to conduct an entire election campaign, and then vote in favor of or against a constituent assembly."

"If the public were to vote in favor of a constituent assembly, another election process would have to start as though we were living in the best of worlds," Garcia Quintero said.

According to Dr. Arguello, the country's priority is for the "UNO and the FSLN to do all they can to deal with the people's problems before the current legislative period is over."

FSLN Ramirez Urges Sandinists To Unite To Regain Power

PA1211155193 Managua BARRICADA in Spanish 9 Nov 93 p 5

[Article by David Gutierrez Lopez]

[Text] San Buenaventura, Boaco—Yesterday, former Vice President Sergio Ramirez urged Sandinists to unite to regain power in the upcoming elections, to leave war behind, and to guarantee Nicaraguans peace and security. "We are not condemned to live in opposition," said the leader of the Sandinist faction of the National Assembly while speaking to more than 200 peasants who are members of 54 cooperatives in Boaco. The peasants gathered at the bullring of El Balsamo farm of the Baltazar Jarquin Cooperative in San Buenaventura.

The members of these cooperatives, who commemorated the 12th anniversary of the death of Carlos Fonseca, principal founder of the Sandinist National Liberation Front [FSLN], asked Ramirez to help them obtain bank financing for the next farming season. Deputy Ramirez promised the cooperative members to continue "the struggle so the government will authorize bank credits and will solve the issues of properties" given to thousands of peasants by the Sandinist Government during the past decade. Private producer Cornelio Sotelo urged his associates to "remain" united within the ranks of the Sandinist Front "because unity creates strength."

Alejandro Alonso, department delegate of the National Federation of Cooperatives (Fenacoop), said that of the 54 cooperatives in Boaco, 13 have debts with the World Food Program (PMA) estimated at 750,000 cordobas, which cannot be paid due to a lack of financing to produce. Alonso said that more than 650 members of the 54 cattle and basic grain cooperatives are virtually bankrupt due to a lack of credit. They are also being hassled by former landowners who intend to deprive them of their land through legal subterfuge.

Deputy Ramirez's visit took place amid a festive atmosphere. The musical band El Esfuerzo from Teustepe played songs to encourage several amateur bullfighters to show off their skills. Among those attending the event were cooperative movement head Rogelio Bermudez, independent producer Jeremias Membreno, FSLN regional political secretary Francisco Aguilar, Cristobal Valle, and Javier Mendoza.

FMLN Stages Events To Honor Revolutionary Leader

PA1111224493 Managua BARRICADA in Spanish 9 Nov 93 p 4

[Article by Luis Padilla and Martha Marina Gonzalez]

[Text] Leon—In a speech delivered here, Commander Luis Carrion Cruz, a member of the National Directorate of the Sandinist National Liberation Front [FSLN], called on Sandinists to renew their solidarity, enthusiasm, and the struggle against the government's neoliberal policies in an effort to regain power in 1996. Carrion made this appeal during an event organized by residents of Leon to honor Commander Carlos Fonseca Amador, the leader of the Revolution who was murdered 17 years ago in the mountains of Zinica in the northern part of the Atlantic coast of Nicaragua.

Commander Carrion hailed the beginning of the electoral process on the Atlantic coast, adding that this "will be a test of the effectiveness, enthusiasm, and capacity of the FSLN." Carrion said that this will be a sample of what the 1996 electoral campaign will bring, adding that "the FSLN is ready and willing to return to power."

Carrion urged those who have left the FSLN to return, noting that they did this out of fear, confusion, or because of "our own vanity and arrogance—failings we did not correct in a timely manner."

March in Condega

In Condega, residents and peasants from outlying areas commemorated the 17th anniversary of Carlos Fonseca's death with a march through the town's main streets. The Sandinists marched against hunger, unemployment, and the privatization plan, and they demanded financing for production purposes and the opening of the Condega slaughterhouse.

Likewise in the Miraflores area, peasants staged an event in Carlos Fonseca's honor. During the event 40 cards identifying the bearers as FSLN militants were handed out to peasants who are now engaged in FSLN party tasks.

Article Views Media Focus on FSLN Internal 'Confrontation'

PA1311143093 Managua LA PRENSA in Spanish 6 Nov 93 pp 1, 10

[Article by Ariel Motoya]

[Text] The confrontation between radical and moderate Sandinist National Liberation Front [FSLN] members has taken a new turn given the manner in which the diverse media—radio, press, and television—have focused on this issue. This has resulted after Daniel Ortega and Sergio Ramirez Mercado had an argument.

Since 3 November, when the Sandinist parliamentary faction presented the debate on the draft bill on privatizing some of the public services, the confrontations regarding the draft bill started. The Workers National Front (FNT), led by FSLN Deputy Damaso Vegas and Natal Sevilla, spearheaded the opposition.

Damaso Vegas and Natan Sevilla, together with other leaders of the public sympathetic to Sandinism, such as FETSALUD [Federation of Health Workers], ANDEN [National Association of Nicaraguan Teachers], and others supported by the FSLN secretary general, emphatically opposed the draft bill on privatization presented by 37 Sandinist deputies.

On Wednesday night, Channel Four Television interrupted its regular program to transmit a debate on the privatization of certain public services. During the debate, the FNT and former president Daniel Ortega's point of view were openly defended. Radio Ya, the sensationalistic station, has sided in Ortega's favor in its reports on the Sandinist internal division.

Other media, such as BARRICADA, have tried to handle the issue in a balanced and conciliatory manner. The headlines on the 5 November front-page edition read: "FSLN: Open Debate" while the paper reported on the organization of an FSLN "Negotiating Commission" comprised of Bayardo Arce, Sergio Ramirez, and Daniel Ortega.

Meanwhile, independent media, such as Radio Corporacion, have taken a moderate position in their editorials and their newscasts on Sandinism. They have defended to a certain extent the moderate positions, acknowledging the honesty of some of that party's activists.

Poet and reporter Fabio Gadea Mantilla, director and co-owner of Radio Corporacion, talked about the Sandinists during yesterday's program "Love Letters to Nicaragua." Gadea said that they can become a true political party, "as there are worthy and honest people" inside the FSLN.

This radio station and others who have upheld opinions against the FSLN policy have sharply criticized former President Ortega's attitude after he showed up at the Legislative Assembly in an attempt to remove Sergio Ramirez, FSLN faction leader.

During the 4 November session, in which the controversial law on privatization was passed on to two commissions, the National Opposition Union (UNO) deputies were present at the Legislative Assembly. Parliamentaries from other factions and the UNO itself considered this action as an "underground" support to the Sandinist parliamentary faction and to Sergio Ramirez, according to what UNO deputies, who prefer to remain anonymous, said.

The rift between Daniel Ortega and Sergio Ramirez, according to certain political experts, goes back to the last decade and has been intensified, because Ramirez' leadership has grown significantly within the parliamentary faction.

Official on Exceptional Treatment in Free Trade Pact

PA1111030593 Managua Radio Nicaragua Network in Spanish 1100 GMT 6 Nov 93

[From the "This Morning" newscast]

[Text] Agenor Herrera, the director of economic integration for the Economic and Development Ministry, appeared at the Information Directorate for Defense's Friday news conference to explain the extension of the free trade agreement recently signed by the Central American presidents in Guatemala. Herrera confirmed that Nicaragua and Honduras obtained exceptional and unique treatment. In the commercial sector, Nicaragua was permitted to postpone the implementation of a consumer tax on 750 products manufactured in the country. He also reported that the treaty contained a safeguard clause that allows any signatory nation that cannot maintain the established requirements for any reason whatsoever to ask the integration organizations for a postponement of those requirements.

Panama

Foreign Minister Summarizes Positions on Cuba, Haiti

PA1511175193 Panama City CRITICA LIBRE in Spanish 15 Nov 93 p 44

[Report by Arnulfo Mendoza]

[Text] Panamanian Foreign Minister Jose Raul Mulino has asserted: "The blockade against Cuba is a U.S. decision, and the Haitian action is based on a UN Security Council resolution. As you can see, not everything in international politics is clear; contradictions do exist."

These were the foreign minister's statements when he was asked why the government had closed ranks in support of the United States in terms of the economic blockade against Haiti but did not do the same in terms of Cuba, which has been suffering from the effects of a fierce economic blockade sponsored by the United States.

When referring to the approval of the UN resolution that asks the United States to lift the blockade against Cuba, Mulino asserted that a definite change—a change that had been sought for a long time—had taken place, because, on this occasion, supporters of the resolution managed to get 88 votes in favor, 4 against, and 57 abstentions.

Nevertheless, he noted, despite the desires of those countries that requested the lifting of the blockade against Cuba, it is important that this effort be linked to Cuba's will to cooperate and reach a comprehensive national consensus that will prompt true changes on the island that will lead to its democratic opening.

The foreign minister contended that a lack of democracy is Cuba's major problem, adding that this has led to all of its other problems. All blockades and isolation will be resolved once this problem has been overcome, he said. If the U.S. Government decides to cooperate, it will alleviate the Cuban people's poverty, Mulino added.

Legislators' Immunity Suspends Drug Search Operation

PA1611022793 Panama City LA PRENSA in Spanish 14 Nov 93 p 1

[Text] Four automobiles believed to be transporting drugs—two belonging to Democratic Revolutionary Party [PRD] legislators and the other two belonging to National Liberal Republican Movement [Molirena] legislators—tried to cross into Costa Rican territory on 10 November. It is unknown if they were able to get across.

The Judicial Technical Police [PTJ] and the National Police launched an operation to intercept the automobiles, but at 1545 PTJ Inspector Melquiades Quiel received a telephone call from his superior (no name given) ordering him to suspend the operation, because "it would be handled in a different way, given that the legislators had diplomatic immunity."

This is stated in a letter dated 10 November 1993 that Inspector Diomedes Trejos, in charge of the Technical Customs Investigations Division [DITA] in Paso Canoa, sent to Deni Cedeno, DITA chief in the western region. According to the information in the mentioned letter, the automobiles bearing license plates assigned to legislators were two Mitsubishi Monteros, one olive green (the color of the other one is unknown); a white automobile (make unspecified); and a green Mercedes Benz.

Although the letter stated that two PRD and two Molirena legislators were involved, no names were given.

In another letter related to the same case, the director of the DITA western region explains to Customs Director General Mario de la Ossa that at 1415 on 10 November "we received a call from Mrs. Ibis Rivera, regional customs director for the western zone, who asked us to telephone Mr. Rodrigo Arosemena, which we did."

"In our conversation with Mr. Arosemena, he told us that legislators were traveling by automobile to Chiriqui, presumably on their way to Costa Rica, adding there was suspicion they were carrying illegal substances. He said that we should coordinate a joint operation with other public security agencies and that we should lend all the necessary support," it is stated in Cedeno's 11 November letter to De la Ossaer.

Cedeno states in the letter that he discussed the issue with former Customs Director Rodrigo Arosemena, who had already given instructions to Inspector Diomedes Trejos.

The letter continues: "We received later a call from Inspector Espinosa of the PTJ station in Ancon. He said he had received instructions from PTJ Director Jaime Abad to contact Inspector Erick Quiel of the PTJ in Chiriqui and coordinate the operation at the Paso Canoa border, which we did immediately."

According to Cedeno, at approximately 1555 Inspector Diomedes Trejos notified him that the operation was to be discontinued upon instructions from his PTJ superiors, given the legislators' diplomatic immunity in the national territory, adding that Panamanian authorities were coordinating with Costa Rica's OIJ [Judicial Investigation Agency] so that when the automobiles under investigation crossed into Costa Rican territory, "they would be searched, because they have no immunity on the other side of the border."

LA PRENSA asked Legislator Camilo Brenes whether the legislators' immunity could prevent the search of their automobiles whenever they were suspected of a criminal act. He replied: "There was no reason to stop that type of operation, particularly if it was believed the automobiles were carrying drugs."

"I am surprised the PTJ adopted that decision, because legislative immunity is not meant to be used for committing crimes," Brenes said.

Argentina

'Text' of Constitutional Reform Agreement Released

PY1511205193 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0107 GMT 15 Nov 93

[Quotation marks as received]

[Text] Buenos Aires, 14 Nov (NA)—The agreement that President Carlos Menem and UCR [Radical Civic Union] leader Raul Alfonsin signed this evening, which is based on four points, lists 12 items among which are the consolidation of democracy, the improvement of the balance between the branches of government, the strengthening of the independence of the courts, and the stengthening of control organs.

Herewith is the three-page text of the agreement:

"President Carlos Menem, the Justicialist Party leader, and Dr Raul Alfonsin, the president of the National Committee of the Radical Civic Union, today met for the purpose of studying matters concerning the reform of our national Constitution.

They took into account the spirit that promoted the search for coincidences that prevailed at the meeting they held for the same purpose on 6 September 1988.

They agreed to promote a constitutional reform project—without introducing any modifications into the declarations, rights and gaurantees that are set forth in the first part of the Constitution—which should:

1) Consolidate democracy and improve the balance between the branches of government, through:

—Attenuation of the presidential system of government through designation of a cabinet chief or coordinating minister who will report to the president and to Congress;

—Reduction of the presidential and vice presidential terms to four years with immediate re-election for one single period, considering the current presidential term as a first period;

—Elimination of the religious requirement for the post of president, in line with the principle of freedom of creed;

—Direct election of three senators per province—two majority and one minority senator—and reduction of the senatorial term;

—Direct election of the president and vice president through the run-off system;

—Direct election of the capital's mayor;

—Extension of the regular congressional period of sessions;

—Regulation of the president's power to approve urgent and necessary laws;

—Reaffirming that federal intervention falls under Congress' jurisdiction.

2) Strengthen the independence of the courts and of control organs, in order to

—Substantially modify the method for designation of judges, making sure that qualifications will be the main selection criterion;

—Generate a procedure for dismissal of judges free of party and political contingencies;

—Give the administration control organ full operational independence within the Legislative Branch, stability for regular periods to its members, and the organ's presidency to the opposition.

3) Redesign the federal system to promote progress and economic development in provinces and regions.

4) Promote Latin American and continental integration.

The regulations to be reformed, which will depend on the agreements to be be reached and the proposals to be made by other parties or political or social sectors, will produce, after approval by the corresponding party organs, a set of final agreements in some cases, and electoral disputes—dealing with the constitutional text—in others. The subjects to be included in the set of final agreements will be established when Congress declares the need to reform the Constitution. Procedures will also be established to guarantee that the agreements will be respected.

Alfonsin Expresses 'Approval'

PY1511204993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0218 GMT 15 Nov 93

[Text] Buenos Aires, 14 Nov (NA)—Radical Civic Union [UCR] leader Raul Alfonsin this evening expressed his "approval of and satisfaction with" the accord reached with the Justicialist Party for reforming the Constitution, which he referred to as a "historical step for consolidation of Argentine democracy."

Alfonsin said the plebiscite called by the government was "postponed until further notice," thus complying with a sine qua non condition that the UCR imposed for reforming the Constitution.

During a press conference hosted at the UCR National Party Committee headquarters this evening, the former president referred to those UCR members who criticized and opposed the conversations with President Carlos Menem, which began on Thursday 4 November.

"No major UCR leaders are against this agreement," Alfonsin said, ruling out all possibilities for a break within the party. Alfonsin said he will try to meet with Fernando De la Rua and Eduardo Angeloz "as soon as

possible," to analyze the situation that followed the signing of the agreement at the Olivos residence today. "I will try to talk with Angeloz over the phone, wherever he is now—he is touring Europe—to greet him and tell him what has happened so far," Alfonsin said.

Alfonsin praised the terms of the agreement, but explained that "the National Party Convention will decide whether it is advantageous. Convention delegates will soon meet, and if this organ rejects the agreement we will abide by its decision, but I am convinced, and do not laugh at this expression, that we will have a favorable majority," he said.

The brand-new UCR leader explained the basic terms of the agreement, noting that one of the guarantees for compliance with the terms of the agreement will be the vote on the bill on the need to reform the Constitution, by two thirds of Congress.

"We will begin anew, from scratch, with a new bill," Alfonsin said, although he said he does not know whether the law that was appoved by the Senate would be withdrawn or would remain in Congress. Alfonsin mentioned the possibility for all the subjects to be reformed within the Constitution "to be voted on in a single package," although the final project will be ready in the near future.

"There can be differences in secondary matters, but there is an essential basic package that guarantees democracy in Argentina," he said. Alfonsin concluded by saying that next Friday he will begin touring the interior of the country to explain the details of the agreement to party convention delegates. He explained that on Friday he will visit Jujuy to meet with northwestern province delegates; on Sunday he will visit Viedma, and next week the Cuyo region.

The press conference began after 2130, when Alfonsin, Horacio Massaccesi, Oscar Castillo, and Antonio Berhongaray—who are the new party committee president, second and third vice presidents, and treasurer, respectively—entered the hall of the National Committee building.

The conference was also attended by Cesar Jaroslavsky, Juan Sourrouille, Mario Brodersohn, Alejandro Armendariz, Leoopldo Moreau, Rodolfo Terragno, Enrique Nosiglia, and Simon Lazara, among others.

Menem Signs Decree Suspending 21 Nov Plebiscite on Reform

PY1611022693 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2001 GMT 15 Nov 93

[Text] Buenos Aires, 15 Nov (NA)—Today President Carlos Menem signed a decree suspending to an indefinite date the plebiscite on constitutional reform which had been scheduled for 21 November.

Decree No. 2339, disclosed this afternoon at the press room in Government House, is signed by Menem and Interior Minister Carlos Ruckauf.

In the list of reasons for this measure it is stated that the Radical Civic Union [UCR] and the Justicialist Party have requested that the date of the said plebiscite be suspended.

The main paragraphs of the decree state that "this request is based on the strong possibility of reaching nationwide agreements, subject to the peoples' approval, through calling for elections for constituent conventioneers."

The text of the decree also states that the political parties making the request represent the two greatest majorities in the Chamber of Deputies, in which the people are represented according to the Argentine parliamentary system, and that the situation is similar in the Senate.

"Consequently, an express pronouncement by the national executive branch on the petition filed is appropriate," and therefore, President Menem today signed the decree suspending 21 November "as the date for the plebiscite."

The suspension of the plebiscite to an indefinite date is the first direct consequence of the Menem-Alfonsin meeting, and was one of the points on the list of conditions by the head of the Radical Party for coming to an agreement with the government on amending the Constitution.

The fact that the plebiscite was not lifted—only suspended—is due to the government's need to await the approval of the reform agreement by the UCR National Convention, the only partisan organ authorized to approve this subject.

Envoy Believes U.S. Will Sell Skyhawks With Advanced Radar

PY1511211593 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2327 GMT 14 Nov 93

[Text] Buenos Aires, 14 Nov (NA)—Argentine Ambassador to the United States Raul Granillo Ocampo said today he can "perceive that a positive answer will be given within a reasonable time" allowing the country "to be able to get the Skyhawks with the sophisticated radars." Granillo Ocampo added he cannot "say there is a commitment, or that this was assured specifically by someone in particular. It is a perception arising from the talks that have been held."

Granillo Ocampo told the Salta morning daily EL TRIBUNO that his appointment had been made in an effort "to strengthen the good relations" between Argentina and the United States. He also said that President Carlos Menem "saw the need for the current excellent political relations to be extended to other areas, including the economic area."

Asked about the much publicized "carnal relations" between the two countries, Granillo Ocampo said: "What the foreign minister meant is that very close relations are needed with a country that has a predominant role in the current life of nations, a country with which we share values and with which there is a particular interest in establishing economic relations." He added: "Argentina is building a mature relationship with the United States, but this does not mean that we will become overnight the most privileged and important friend" of the United States.

UCR Leader Angeloz: Alfonsin Not To Decide on Reform Alone

PY1511211393 Madrid EFE in Spanish 1125 GMT 15 Nov 93

[Text] Madrid, 15 Nov (EFE)—Cordoba Governor Eduardo Angeloz, a UCR [Radical Civic Union] leader, stressed today in Spain that UCR President Raul Alfonsin "will in no way decide on his own the contents of the constitutional reform."

Alfonsin, a former Argentine president, was elected UCR president on 12 November by 64 of the 94 delegates who participated in the UCR national executive board's plenary.

Argentine President Carlos Menem signed yesterday an agreement with Raul Alfonsin to promote a constitutional reform project that includes presidential reelection.

Eduardo Angeloz, who is now in Madrid heading an economic delegation from Cordoba Province, confirmed in a news conference that Alfonsin will not decide the contents of the constitutional reform "in the name of the UCR," but "it will be decided by all of us UCR people." Nevertheless, Angeloz emphasized that Raul Alfonsin "has gained enough merit in the Republic to preside over the 102-year-old party that is ours."

The Cordoba governor, who ran against Menem in the 1989 elections for Argentine president, is again emerging as the main opposition party's candidate for the 1995 general elections. A large group within the UCR, explained Angeloz, "wanted a change within the UCR based on political consensus, but this consensus was not achieved" during the UCR national executive board's plenary.

During the UCR plenary the approximately 30 delegates (leaders) who were against Alfonsin's candidacy rejected the talks with Menem on constitutional reform, and began a militant opposition against the new UCR president.

Some UCR internal circles raised the possibility that these internal disagreements might cause a "rift" within the party, but this possibility was ruled out today in Madrid by Angeloz, who, nevertheless, constantly supported such a consensus.

Angeloz said: "As people who have always championed democracy, we are willing to and we accept the decision by the majority that has elected Raul Alfonsin party president." Angeloz noted: "This decision will not cause a rift because after 102 years of existence the UCR has the merit of holding its discussions openly."

The Cordoba governor emphasized: "We will have to make a huge effort to prevent this rift and reach an agreement through rapprochement." Eduardo Angeloz also noted that personally, he "would have preferred that the talks between Carlos Menem and Raul Alfonsin had been held publicly." The Cordoba governor emphasized: "I don't know if there will be a constitutional reform." He said that he was unaware of "what Alfonsin might have negotiated with Menem on this issue last night." Angeloz added that in any case this issue "must be discussed by a national convention" that has been called for 3 December.

Angeloz pointed out: "I have always been a reformist. In my opinion, the reelection issue merely represents an addition to the consitutional reform issue. What really matters is the consensus or agreement on the contents, that is, to decide what type of country we will leave for our children."

Bolivia

COB Orders General Strike; Demonstrations Paralyze Capital

PY1511205493 Madrid EFE in Spanish 1831 GMT 15 Nov 93

[Text] La Paz, 15 Nov (EFE)—Bolivian mineworkers, university and high school students, and railroad workers began today an indefinite general strike, along with street demonstrations, as called by the Bolivian Labor Federation (COB).

An environment of uneasiness prevailed on the streets of La Paz this morning, due to the immobilization of traffic caused by the massive demonstration called by the COB and by the constant explosion of firecrackers during that demonstration.

The demonstration, attended by thousands of people from La Paz and from El Alto, a city of 400,000 inhabitants located 14 km from downtown La Paz, covered several downtown streets. The people shouted "death" to the government and insults against Bolivian officials.

Some groups of demonstrators who were passing in front of a police post called on the policemen to join the people's struggle so as to avoid being their "murderers," while other groups demonstrated against them by hissing.

The COB, however, left open the possibility of lifting the strike and other pressures today, after a meeting of union leaders, who will decide whether to accept or reject the latest government offer.

The COB demands the rehiring of 10,000 workers at several state companies who were dismissed by the government in an effort to reorganize the public companies to begin their partial privatization.

The general strike has paralyzed mining activities, the universities, teachers (teachers and high school students support the strike), and the railroad workers, who have not provided transportation services for 40 days, according to COB leader Rufo Rivero.

Workers at the state airline company and the airport administration did not obey the strike, while bank and business employees went to work normally.

Regarding the indefinite general strike called by the Potosi Civic Committee (Concipo) last week, the committee gave the government a 72-hour truce, but other sectors of this department, which is the poorest in the country, joined the national strike called by the COB.

It was also officially reported that negotiations between Concipo and the government to define the reactivation of mining, the installation of a running water system, and other public projects will begin on 16 November.

Lifts Strike After Accepting Proposals

PY1611023293 La Paz Television Nacional Network in Spanish 0100 GMT 16 Nov 93

[Text] The COB [Bolivian Labor Federation] decided today to lift the indefinite general strike. After several union leaders expressed their opinions the COB assembly decided to lift the indefinite general strike, to accept the return of dismissed workers, and to continue talks with the government to resolve other demands.

[Begin recording] [Unidentified union leader] We have shown an ability to understand the problems of the country, to take a firm stand in the defense of our principles, and to make a very clear decision supporting the construction of a different Bolivia, a country with justice, with social peace. These are our arguments, and in this regard I think the attitude of the workers is positive. [end recording]

President Gonzalo Sanchez de Lozada ordered that his ministers taking part in the negotiations accept the return of 600 workers of Enfe [National Railway Enterprise], of 167 leaders, and of those dismissed after 31 October. The COB leaders will meet with Catholic Church officials to reach an agreement that would guarantee the fulfillment of the agreement with the government.

ADN Leader Banzer Withdraws From Political Life

PY1511191893 La Paz Radio Fides Network in Spanish 1100 GMT 15 Nov 93

[Report by Marcelo Huanca Dorado from Santa Cruz]

[Text] [Nationalist Democratic Action—ADN—leader] Hugo Banzer Suarez' decision to withdraw from political activities was last weekend's surprise report.

In his house, across from the (?Los Pasivos) Hotel, Banzer announced on 13 November his decision to withdraw from political life in order to pave the way for other ADN leaders.

Banzer's announcement shocked leaders, media, and ADN members. The ADN leader's resignation prompted his followers to hold emergency meetings to try to convince him to remain as party leader.

Nevertheless, Banzer, along with his wife and one of his daughters, left for Santiago yesterday. It was reported that from Santiago he would travel to Miami to establish himself there.

It did not take long for other political coalitions to react.

MIR [Movement of the Revolutionary Left] leader Hormando Vaca Diez said he would like the party led by Banzer to remain as united and strong as it has been so far.

Other political parties have said this situation will change the history of Banzer's party.

ADN leader Ramon Prada said he trusts that Banzer will sooner or later regain the ADN's reins.

Nevertheless, the real reasons for Banzer's resignation were not clear. Some people point out that Banzer's resignation represents a reaction to President Gonzalo Sanchez de Lozada's (?hints). Other people say that Banzer decided to withdraw from political activities because he was tired of giving up the presidential chair. Other people say that Banzer's resignation is merely a political maneuver.

Banzer did not provide any additional explanations.

Upon leaving Viru-Viru International Airport yesterday, Banzer indicated that he had already said all he had to say and he did not want to explain the report on his withdrawal.

Brazil

Brazil Denies Extradition for Paraguay's Former President

PY1611112893 Madrid EFE in Spanish 2258 GMT 15 Nov 93

[Text] Brasilia, 15 Nov (EFE)—Brazilian Justice Minister Mauricio Correa said today that former Paraguayan President Alfredo Stroessner, who has lived in asylum in Brazil since his overthrow in 1989, will not be handed over to his country's justice system. Paraguay had asked for his extradition.

Correa said General Stroessner is staying in Brazil under the protection of the institution of political asylum, which can only be lifted if the person granted this protection is found responsible for committing common crimes.

In 1989 the former Paraguayan president obtained a visa to stay in Brazil for four years. The Supreme Federal Court renewed his visa at the beginning of 1993.

It was reported in Brasilia that the Paraguayan courts asked the Brazilian Government to extradite him so he can answer for the nearly 200 cases of power abuse and human rights violations during the 35 years he ruled Paraguay.

Although the petition still must be studied by the Supreme Federal Court, the justice minister already has said the Brazilian Government will not grant the request.

Stroessner assumed power in his country through a coup d'etat in May 1954 and ruled the country until 2 February 1989.

On that date Stroessner was overthrown and succeeded by General Andres Rodriguez, the father-in-law of his child, who won an election in May 1989 and took over as constitutional president.

The former president arrived in Brazil, which granted him political asylum, on 4 February 1989 and has lived in Brasilia ever since.

The first investigations by the Paraguayan justice system on charges of abuse and human rights violations during his 35-year rule pronounced him guilty.

In April 1992, Stroessner and a number of his close assistants were sentenced to prison terms for the assassination of the wife of political dissident Martin Almada.

It was reported in Asuncion that Stroessner also is involved in nearly 200 criminal cases opened by the Paraguayan justice system.

Cardoso's Alleged 'Tax Evasion' Detailed

PY1511201593 Sao Paulo ISTOE in Portuguese 10 Nov 93 pp 24-27

[Article by Mario Chimanovitch]

[Text] On 12 May 1989 then Senator Fernando Henrique Cardoso, today finance minister and as such responsible for public revenues, purchased in association with his partner Sergio Motta, former director of Eletro-Paulo [Sao Paulo State Electricity Company] and a businessman with the political position known as coordinator of "funds" for several PSDB [Brazilian Social Democracy Party] electoral campaigns, purchased a rural property called Pontes Farm, in the municipality of Buritis in the northwestern part of Minas Gerais, 220 km from Brasilia, which belonged to Rio Grande do Sul farmer Cesar Pedro Hartmann, who then settled down in Mato Grosso.

According to the documents recorded at the civil registry of Unai, a neighboring town where regional real estate transactions are recorded, this was not at all a bad financial deal. In 1981 Hartmann purchased that property for 11 million cruzeiros (11 million old cruzeiros), equivalent at that time to $140,000. In 1989, eight years later, Fernando Henrique Cardoso and Sergio Motta acquired the same farm for only 6,000 new cruzados (6,000 new cruzados). Considering that according to the documents the farm has some 746 hectares of pastureland plus 300 hectares of brushland, totalling 1,046 hectares, Cardoso and Motta paid Hartmann, at the exchange rate at the time of purchase, the ridiculous amount of $1.90 per hectare. The total price of the farm was thus officially established, for income tax purposes, at approximately $2,000. The rest of the payment was probably made what is called "under the table," a practice normally used when undeclared money is involved, such as what is left over from electoral campaigns. To give an idea of values, a Chevrolet D-20 pickup truck, a model much appreciated then by farmers of the region, was sold for 15,300 new cruzados, or 2.5 times more than the recorded price for the 1,046 hectares.

More significant yet is the fact that for bookkeeping and taxation purposes the Buritis Town Council established the value of the farm at 131,000 new cruzados (more than $40,000 at the exchange rate of the time), more than 20 times higher than the price officially recorded in the transaction. Brokers and farmers from the region evaluated the price of the farm at that time at approximately $400,000 or $500,000. Today, according to what ISTOE found out from local real estate experts, the Pontes Farm is worth more than $1 million.

Over the past few decades in Brazil, real estate evaluation has, especially in rural areas, always contained a strong element of enrichment without much work, so strong that it has been criticized more than once by the

current minister, who saw in these speculative operations a sign of the backwardness of our "elites." Apparently this was a vice to which Minister Cardoso was not immune. Once the undervaluation was verified in the purchase of the farm, it is rather difficult if not impossible to estimate the extent to which the revenues office, about which the minister has expressed so much zeal in his public remarks, was damaged financially. Likewise, because it is not really known how much was disbursed by the Cardoso-Motta partnership, both have been exempted from explaining the origin of those resources. Everything was done very comfortably, according to the traditional practices of Brazilian society, or of the "elites" the minister likes to criticize in his moments as a professional sociologist, but in a very nonethical manner. Or at least in a nonethical manner.

Somehow this commercial closeness can also be explained through the formal social contacts between a finance minister and a businessman and political operator such as Sergio Motta. He was, during the Franco Montoro government in Sao Paulo, a sort of eminence grise of the very rich (very rich in revenue and large projects) official electricity sector, and who has always had political influence in the areas of Telesp [Sao Paulo Telephone Company] and Cosipa [Sao Paulo Iron and Steel Company].

In January 1989, months before the purchase of the Pontes Farm, Cardoso and Motta created the Corrego da Ponto Agriculture and Livestock Company, Inc.. The partners are equal shareholders, according to the documents recorded at the Sao Paulo Commercial Board. The company's "official" address is 325 Ingleses Street, the same house used for years as Cardoso's political office. And his telephone, which is not listed but is written at the bottom of one of the signs at the entry to the farm, belongs to the Hidrobrasileira Engineering and Technical Consulting Company Inc., of which Sergio Motta is director president. This medium-sized company in the technical consultation business has built a solid reputation on the market, especially in the preparation of projects for the municipalities and governments, where Motta's political influence has surely helped attract clients.

On 21 June 1991 Cardoso and Motta transferred the Pontes Farm to that company created by themselves, recording the transaction for a price equivalent to $20. That is correct, $20. In the tax evasion field, Cardoso and Motta repeated the same deal for themselves.

Today the farm is a sort of model for the region. Its exact location is on the bucolic Serra Bonita, with such neighbors as the powerful and nationally known companies Ceval, Cargill, Ritcho, and Camargo Correa, among others. Its infrastructure is even larger that most of the neighboring properties. It has patrolled roads, small bridges, silos, comfortable houses for personnel, an excellent house for the owners and visitors, an artificial dam, a parabolic antenna, and extensive agricultural machinery. Administrator Wander Gontijo said he has been working on the farm for six years. He reported that the harvest scheduled for this year includes soybeans, rice, and corn. He added that the farm has some livestock as well.

In Unai, some 156 km from Buritis, ISTOE verified at the local registry the existence of documents proving the purchase of the farm by Cardoso and Motta. Frederico Humberto Lisboa, head of the local registry, and his secretary Maria das Gracas Carvalho admitted that the practice of underinvoicing—that is, the practice of committing tax evasion, which is a crime—is common in these kinds of deals. That is, the then senator and current finance minister followed the practices and customs he himself condemned in Brazilian society when he held tax evasion responsible for the chronic imbalance in national public accounts.

More careful with his words and more zealous than the minister concerning municipal public accounts, Lisboa said that "if there was tax evasion, what was harmed most of all was the Income Tax Department, because the Buritis Mayorship set the value of the farm for the payment of the ITBI (Tax on Interpersonal Property Transfers) at a price 20 times higher than that declared in the transaction document." Buritis Mayor Pedro Jary Taborda is rather careful when asked about the excellent purchase made by current Minister Cardoso: "Listen, I only know the minister through pictures. He tells the people that when he comes here he comes for a rest. He usually comes as a farmer and not as a politician."

Taborda then orders his finance secretary, Joao Alberto Andre Silva, to his office and introduces him as "Fernando Henrique Cardoso's colleague," who was the person in charge of the registry office at the time and is well aware of the matter. Silva says the mayorship was not harmed at all, but that "the Federal Revenues office could have been harmed." Then the "colleague" conveys a number of demands to the minister: a bridge on the Urucuia River, and money for infrastructure projects. The mayor, next to him, gives a look of approval.

The deputy mayor and head of the cabinet, Joao Alberto Ferraz, also joined the meeting, and said that Senator Jose Paulo Bisol, today of the PSB [Brazilian Socialist Party] and former member of the PSDB [Brazilian Social Democracy Party], is also the owner of a farm in that municipality, near Pontes. Ferras recalled that during the last electoral campaign in 1988 "Bisol experienced great confusion because of that farm." He was probably referring to the accusation made by Leonel Brizola that Bisol was reportedly a "huge landowner." According to Ferraz, Bisol's farm is being managed by one of the senator's sons. Concerning the Cardoso-Motta farm, the administrator himself takes care of it. Officials at the mayorship only know that Cardoso spent the last holiday on his farm.

The fact that the real price of a property in a purchase-sale operation was not declared, in order to deceive the revenues office and to reduce taxes and tariffs, or to

avoid showing undeclared financial resources, represents a crime of illegal enrichment. Those involved in this practice are called evaders. When the individual involved in such a situation is none other than he who is in charge of collecting taxes from citizens in his role as finance minister, the act of evading taxes acquires very special connotations.

Brazilian Workers Party Chief Discusses Alliances, Program

BR1511155693 Rome L'UNITA in Italian 14 Nov 93 p13

[Excerpt from interview with Brazilian Workers Party President Luis Ignacio "Lula" Da Silva by "M.M." in Sao Paulo; date not given: "I Am Not Afraid To Lead the Left to Victory"]

[Text] ["M.M."] Mr. Lula, my first question is an obvious one. In your view, what sort of comparison can be drawn between Operation Clean Hands in Italy and what is happening in Brazil?

[Da Silva] We must follow your country's example, in other words we must turn it into a national issue involving not only politicians, but also businessmen, mayors, governors, and civil society. In short, we should apply the same amount of pressure we used to get [former President] Collor to resign. It will not be easy: Mistrust and resignation are widespread, but that is precisely the reason why the 1994 elections, which combine both the presidential and the general elections, constitute a decisive turning point. Of course, one shudders at the very thought of what is at stake.

["M.M."] In the event, what will happen?

[Da Silva] Let us assume that we win the elections. I am sure that after, say, five months, the conservatives and the right would attempt to blame us for all of Brazil's centuries-old problems but, on the other hand, there will also be the huge masses of the deprived who will demand that their problems be solved in a matter of days, since they have been waiting 40 years for a way out of their predicament.

["M.M."] Opinion polls conducted over the past few weeks put you clearly ahead. Do you feel this will be a decisive vote? And, if so, how will you go to the elections, alone or with the support of a wide alliance.

[Da Silva] We might even get to the second round on our own, but I should say straight away that we will require allies both in order to win and to be able to govern the country. There is no doubt about that.

["M.M."] The last three presidents either did not have a majority or only achieved one with great difficulty. How do you propose to win, particularly considering the fact that your party is subject to the "Lula" effect, in the sense that it is very successful in presidential elections but will inevitably fall back into line in the general election?

[Da Silva] Actually, what you are saying is untrue. [Democratic Transition Bloc leader] Sarney was elected president in 1985, and the following year his party won 302 seats. No, Sarney's problem was not the lack of a majority but his political incompetence. Collor was elected in 1989, and immediately afterwards he secured a very strong base of consensus in Congress, despite the fact that he belonged to a very small party, a makeshift one, as is well known. In his case too, it can be said that Collor dug his own grave, due to the arrogance with which he treated parliament. The same applies to Itamar Franco.

["M.M."] What conclusions can you then draw from all this?

[Da Silva] It is simple: It is certainly necessary to have a majority in congress, but also—and above all—what is needed is an articulate political platform, the ability to formulate proposals and put them forward so as to give rise to real debate on an equal footing, that will in turn generate working hypotheses and solutions. You see—let me repeat this—for the first time joint presidential and general elections will be held, and this time it will be possible to target both aims. Our watchword is simple and immediate: Learn to trust again.

["M.M."] But who will your allies be?

[Da Silva] Let us start by saying that we would welcome a closer relationship with the PSDB [Party of Brazilian Social Democracy], the social democratic group that split off from the PMDB [Party of the Brazilian Democratic Movement]. But we are also looking in other directions. For my part, I would be prepared to start a dialogue with [Democratic Labor Party (PDT) leader] Brizola too, but he is turning a deaf ear right now. However, I am also paradoxically telling the PSDB and the others that, if we manage to shape a serious alliance based on a common platform, we are even likely to win the elections in the first round.

["M.M."] Let us talk about platforms. What must a left-wing government do in Brazil? Or rather, what can it do?

[Da Silva] You want to know? It can do the obvious....

["M.M."] How do you mean?

[Da Silva] It is very simple. It can reverse the trend, change the central government's priorities, and thus defeat financial speculation, placing the issue of hunger at the forefront. This must be followed immediately by education, health, industrial investment, and agricultural reform which, however, must be gradual. That means redistributing income.

["M.M."] Will they let you do that? Are you afraid?

[Da Silva] If what you mean is am I personally afraid, no I am not. As regards the ability to act, it will all depend on the consensus bloc that we are able to build.

Chile

Chile Advocates Establishing International Criminal Court

PY1511152093 Santiago EL MERCURIO in Spanish 3 Nov 93 p C7

[Text] Chile wholeheartedly supports the idea of establishing an international criminal court within the framework of the United Nations so as to enable peace-loving states that wish to further respect for law and justice to undertake joint legal and political action.

Our country is of the opinion that the possibility of setting up such a court is no longer a utopia and that this court would be instrumental in preventing impunity for serious international crimes.

"There are two reasons underpinning the need for the establishment of an international criminal court, namely, the fact that international crime affects the international community as a whole and that national courts are unable to deal with it in an efficient and timely way."

This statement was made yesterday by Ambassador Eduardo Vio Grossi, Chile's Foreign Ministry director for legal affairs, before the sixth committee of the UN General Assembly in New York during a briefing on a report drafted by the UN international law group.

Vio is our country's representative on that committee.

The draft on the foregoing court was put together by the International Law Committee and the sixth committee is studying whether to accept this proposal.

With regard to this draft statute on the international criminal court, Vio stated that Chile's stance on this issue is that it be tackled independently from the Code on Crimes Against Mankind's Peace and Security, since this is the only way of guaranteeing the timely approval of both of them.

Vio pointed out that the establishment of the aforementioned court should not entail exempting states from the obligation of bringing charges against or granting the extradition of people accused of having committed crimes against international peace and security.

He added that the said court should have ancillary jurisdiction to the jurisdiction that the national courts have. He stressed that the international criminal court should, as a general rule, acquire jurisdiction to decide on matters when national courts are unable to take cognizance of them.

Vio said that this court should be set up by virtue of a treaty within the framework of the United Nations and that it ought to constitute a permanent mechanism that enables judges who are members of this court to meet without delay only when they are summoned to do so.

Chile contends that this court should also have original and exclusive jurisdiction in cases that involve very serious and fundamental crimes in which mankind in its entirety may be considered as victim, like genocide, whereas in other cases, it should have concurrent jurisdiction.

Colombia

* Business Sector View on Economy Surveyed

94SM0081A Santa Fe de Bogota EL TIEMPO in Spanish 17 Oct 93 pp 1C-6C

[Report by EL TIEMPO Economic Editorial Staff: "There is a Recession...But in Earnings"]

[Text] The performance of the economy definitely does not warrant talk of recession as had been feared a few months ago. Production and sales continue to grow, although not so much as expected, while earnings are still declining.

Although it is true that the fear was heightened during the second quarter, because the economy was drifting, what occurred between July and September proved that the picture was not so bleak and that, judging from expectations, the year could end better than anticipated.

Nevertheless, EL TIEMPO's seventh Economic Opinion Poll (EOE) taken among 300 business owners from nine sectors makes it clear that the reality has not met the expectations. For example, 76 percent of the business leaders queried expected their production to improve, or to remain stable, by the third quarter. In the end, however, this occurred only in the case of 60 percent: a small sign that the deterioration that began in the second quarter has not stopped.

What is important is that their spirit has not waned. Nearly 80 percent expect production levels during the final quarter to rise, or at least remain stable; and 76 percent expect earnings to improve rather than worsen.

This partially explains the change that has appeared in the estimates on growth of the Gross Domestic Product (GDP), and the rating given to the government's management of the economy.

At the end of March, business owners were counting on an (average) economic growth of 3.2 percent for the year, and by September they raised their prediction to slightly over 4.0 percent. Month after month, this rate has been approaching the minimum official target, cited as 4.5 percent.

On the other hand, there is every indication that the profits of business firms will not improve much. As occurred in the first half, between July and September a

certain decline was evident again in the growth of earnings, although in a lesser proportion than during the first two quarters.

Whereas, between April and June, profits declined for 46 percent of those polled, during the third quarter this occurred for only 36 percent. Now, however, the proportion of business owners claiming to have accrued larger earnings has increased: 30 percent, compared with 19 percent for the previous quarter.

This meagerness on balance sheets, which will not be possible to learn for certain until the beginning of next year, is explained largely by the fact that many business owners have had to moderate or postpone their price hikes, so as to be able to cope with the competition resulting from the "apertura" [economic liberalization] program.

Grade: 3.4

The rating given to the economic team has improved as well, albeit more slowly. On a scale of 1 to 5, during the last quarters they barely gave it a passing grade, "squeaking it through"; and now they have rated it with 3.4.

As for inflation, however, the expectations are not so promising. On the average, the business owners do not think that it can be brought lower than 22.7 percent by the end of this year. The projection has not changed from their thinking three months ago.

And, for next year, they apparently accept the fears expressed by other polls and economic analysts, to the effect that it will be difficult to reduce the rise in the cost of living to the 19 percent desired by the government. They estimate it as remaining at 22 percent, as a minimum.

The Economic Opinion Poll taken by EL TIEMPO, with the technical cooperation of the firm Yankelovich de Colombia, included among its 300 interviewees sectors that had not been taken into account previously. For this new edition, it queried spokesman for industry and agroindustry, exporters, and representatives of commerce, construction, the financial sector, mining, transportation, and the services group, which includes various sectors.

Expectations Improved

Contrary to what occurred in the year's first two polls, at the end of the third quarter one could infer that the final economic results might exceed the private sector's expectations. As partial balance sheets have been prepared, the business owners queried individually (not based on associations) admit that the situation is not so disturbing overall.

The change in results within just three months leaves no doubt about what is occurring. Whereas in June only two sectors, commerce and transportation, estimated an economic growth exceeding 4 percent, in September only the industrialists and spokesmen for agroindustry think that it will remain below that figure.

Spokesmen for commerce, construction, the financial sector, and mining are are almost unanimous that the economy could end the year with a 4.2 percent rise in its production. This change is what has caused the average prediction by all sectors to rise nearly one point in six months.

The shift in final results is explained partly by the business owners' good expectations for the last three months. Nearly 70 percent of those polled expect their production to improve or remain stable. Only 8 percent fear that the situation will worsen, but some degree of uncertainty also remains, because 12.5 percent do not know what might happen, or simply refrained from answering.

Repeated Problems

In this year's three polls, insecurity has not lost first place as an obstacle to the satisfactory development of the economy and of business firms.

According to the majority of those polled, problems of public order are the ones most hurting the Colombian economy: 46 percent of them rated this as a primary or secondary problem. Next, they cited competition from apertura (37 percent), and uncertainty regarding the economic management (23 percent).

Nevertheless, in the development of entrepreneurial activity per se, insecurity is relegated to second place. The first problem is the competition due to apertura, of which 26 percent of business owners complain. The third major difficulty which, in any case, appeared less serious than in the previous polls, is the low demand.

Whether or not the existing expectations for 1994 can be fulfilled depends on how these problems evolve, the progress of apertura, and whether the uncertainty regarding government decisions increases or declines. The 300 persons polled (on the average) think that the economy will grow 4.4 percent next year: only half a point below the government's targets.

[Box, p 1C]

They Will Not Issue

The EOE demonstrated that, despite the facilities for procuring funds outside the financial sector, 70 percent of the business owners polled claimed to have no interest in issuing stock shares or bonds. Only 11 percent of those queried are willing to go on the market with their own securities. Moreover, it became evident that there is apparently a great disregard for these financing devices. The sector least interested is agroindustry.

Wide Brokerage Margin

One of the new questions included in the poll on this occasion made it possible to determine that, in the view

of 82 percent of business leaders, the brokerage margin in the financial system is wide or too wide. In other words, the difference between the rates acknowledged by the banks for their savers and the rate charged to those seeking loans is still exaggerated. On the other hand, 66 percent of the financial entities queried consider the margin "normal."

Revaluation a Worry Again

The fear of revaluation of the peso that had seemed rather slight halfway into the year is now troubling many business owners. Whereas, in the June poll, only 20 percent mentioned the issue as one of their two major problems, in September 30 percent gave that response. Unquestionably, those most harmed have been exporters, because the reduction in the exchange rate is making them less competitive and is deteriorating their income.

Stable Employment

As in the preceding polls, the prospects for employment have not changed. During the third quarter, slightly over half of those polled replied that the total number of jobs generated by them had not changed, and only 22 percent said that it had increased. For the last quarter, the percentages are repeated. Nevertheless, it should be stressed that there is no evidence yet of a high unemployment level, as had been predicted upon the arrival of apertura.

And What About the Client?

Another surprise from the EOE is the lack of control over services. Although the average rating on service to the client was 7.2 out of 10, this does not seem to be a fundamental concern. Only 22 percent of the business owners polled have systems for measuring the quality of service to the client. On the other hand, 76 percent responded that they measure this factor partially.

Status of Production, Earnings, Sales, Third Quarter (percent)

	Production	Earnings	Sales
Increased	30.8	30	38
Decreased	18.6	36.5	28.5
Stable	30.0	29	31
Don't know/ no answer	20.5	4.6	2.3

How Will Your Company's Production Perform in the Fourth Quarter?

Sector	Will Increase	Stable	Will Decline	Dk/Na
Industry	54.9	35.2	5.5	4.4
Agroindustry	41.9	19.4	16.1	22.6
Exporters	40.2	36.8	4.6	18.3
Mining	27.3	45.5	0.0	27.3
Transportation(1)	50.0	41.7	8.3	0.0
Construction	30.8	46.2	7.7	15.4
Services(1)	54.4	33.3	8.8	3.5
Commerce(1)	54.3	25.7	11.4	8.6
Totals	44.2	35.5	7.8	12.5
Second Quarter(*)	48.7	27.3	9.7	14.3

(1) New sectors in the poll

Dk/Na = Don't know/no answer

What Business Owners Think

Sectors	Rating of economic management(1)	Expected economic growth (percent)		Expected annual inflation (percent)	
		1993	1994	1993	1994
Industry	3.2	3.95	4.38	22.7	21.6
Agroindustry	3.3	3.77	4.29	23.2	22.6
Exporters	3.2	4.03	4.32	22.5	21.6
Commerce	3.5	4.23	4.47	22.8	22.5
Construction	3.5	4.16	4.24	23.0	22.3
Financial(*)	3.7	4.16	4.40	22.6	21.6
Mining(*)	3.4	4.18	4.45	22.0	21.6
Transportation	3.6	4.09	4.63	23.4	22.7
Services(*)	3.3	4.01	4.53	22.6	22.0
3rd quarter average	3.4	4.06	4.41	22.7	22.0
2nd quarter average	3.2	3.85	4.38	22.9	21.8
1st quarter average	3.2	3.21	N.A.	24.0	N.A.

(*) New sectors in the poll

(1) From 1 to 5

N.A. = Not available

Exporters, Has the Bad Streak Ended?

Calmness has returned to the exporting sector. After a severe crisis brought on by the currency revaluation and the recession in the industrialized countries, the situation of many exporters is tending to stabilize.

One example will suffice as evidence: During the third quarter of the year, sales and production increased in the business firms interviewed by the Business Owners' [Economic] Opinion Poll (EOE), while earnings remained stable.

Although these indicators are encouraging, it must be borne in mind that the situation is not rosy for the sector's business owners, especially if one recalls that, between April and June, profits declined significantly (dropping, in the case of 55 percent of them).

In other words, the fact that this proportion of interviewees claimed that their earnings increased or remained stable does not necessarily mean that the exporting boom is returning, because they were coming out of a "bad streak."

Hence, whereas sales have increased for 41 percent of those polled, only 28 percent think that their earnings rose during the third quarter.

This could be related to the fact that, although the export volumes increased, the income of business owners was lower, owing to the effects of the slow currency devaluation.

A total of 35 percent of those polled, for their part, reported a drop in their sales, while 39 percent cited a decline in earnings.

The exporting sector, which was one of the activities that most helped to disseminate employment in the country, is not generating more jobs, as may be inferred from the EOE results.

A total of 55 percent of business firms kept their personnel roster unchanged, while 18 percent had to eliminate a few jobs.

Although exporters are among the business owners most accustomed to adopting international patterns in the various industrial and commercial areas, because they are faced with countless foreign competitors, they think that there is much improvement yet to be made in their service to the client.

Therefore, they rate themselves with 7 out of 10 points, whereas the average for the nine sectors polled is slightly higher.

They view the October-December quarter optimistically, except for the 4.6 percent of those polled who expect their production to decline.

The last three months of the year are generally a period of greater hope for industry and commerce, because the demand tends to increase as a result of the Christmas season.

Exporters (third quarter performance, in percent)

	Sales	Production	Earnings	Employment
Increased	41.4	39.1	28.7	20.7
Stable	20.7	25.3	26.4	55.2
Declined	35.6	21.8	39.1	18.4
Don't know/no answer	2.3	13.7	5.7	5.7

Apertura Improved the Transportation Workload

The increase in volumes of goods has caused apertura to become the best workload provider for the transportation sector.

According to the EOE, although very careless about improving services to the client, half of the transportation business owners increased their sales during the July-September quarter.

Similarly, the prospects for the final quarter of the year are quite optimistic, because 91 percent of the business owners interviewed expect the demand for their services to increase or remain at the levels maintained during the past few months.

As in the case of other sectors, apertura has generated an apparently contradictory situation. While there was obvious growth in sales of freight moving services, earnings became stagnant or declined during the quarter analyzed. In that period, only 16 percent of the carrier owners interviewed reported increased profits.

This phenomenon is due to the fact that the deregulation of imports raised the volume of goods to be moved. However, there was also an unusual increase in the entry of tractor trailers and trucks, which caused a reduction in freight rates, and a resultant decline in the sector's income.

Although the police authorities claim that the attacks on freight vehicles have declined, business owners still consider insecurity the sector's main problem.

Consistent with the development of this economic activity's employment during the first half of the year, no company reduced its personnel roster during the period between July and September. A total of 83 percent of those interviewed said that their payroll remained stable, and 16 percent reported the creation of new jobs.

According to the carrier owners, the government's economic management deserves a rating of 3.6 out of 5; while they expect the growth in the economy to be 4.09 percent.

The transportation business owners are not so optimistic on the subject of inflation. They claim that, this year, the CPI [consumer price index] will close at 23.4 percent.

Transportation Sales, Jul-Sep (percent)	
Increased	50
Declined	25
Stable	25

Agroindustry: Optimism Growing Again

The agroindustrial sector is showing a better performance as the year wanes, although not so good as it would have wished. This is a good result, when a more open competition with the Andean countries is approaching.

That prospect will be a reality next year, when the price bands that will make the development of the Andean free market possible, with the adoption of common tariffs applied to third countries, are to be set.

As specialists have indicated, agroindustry is the sector that could undergo the most changes with integration, because a free market of such dimensions requires greater efficiency and competitiveness. This could mean readjustment in various branches of the sector in the Andean region.

The Economic Opinion Poll revealed that growing optimism: A total of 42 percent of the national agroindustries queried expect their production to rise toward the year's end, while 19 percent think that it will remain stable, and only 16 percent fear that it will decline.

In contrast to this, the EOE for the April-July quarter indicated a relative stagnation in production, with 35 percent on a downward trend, while an equal percentage reported an increase and the rest had reductions.

At that time, the agroindustries manufacturing concentrated feed for animals suffered from the ban on imports of corn and sorghum, based on plant health regulations.

Contrary to what might have been expected, on that occasion agroindustry did not complain to the government either. It rated the economic management at 3.3 out of 5 points.

Nevertheless, it is one of the sectors most doubtful of the inflation target, for which it raised its prediction from 22.9 to 23.2 percent at the end of December. Nor does it expect inflation to be less than 22.6 percent next year.

Agroindustry also estimates the growth in the nation's economy at 3.77 percent this year: a rate that is hardly an improvement over that estimated in the April-June EOE.

Agroindustrial Production, Jul-Sep (percent)	
Increased	35.5
Declined	35.5
Stable	22.6
Don't know/no answer	6.4

Industry, At Half Speed

Industry has begun igniting its engines slowly, judging from the increase in production and sales, and the lesser decline in earnings during the third quarter of 1993.

Nevertheless, it must be realized that the second half of the year is traditionally the one with the greatest vitality, for both the manufacturing and commercial sectors. Hence, the fact that gains are appearing in these sectors is not unusual.

Whereas, between April and June, 29 percent of those polled reported increases in their production, during the third quarter of the year this percentage rose to 35.

However, the most significant change occurred in earnings which, after having declined for 55 percent of industrialists, did so for only 39 percent during the quarter ending in September.

It is also a fact that the government adopted measures to control unfair trading practices that have had a negative impact on national production.

The industries hardest hit by underbilling, dumping (sale of imports at prices lower than those at which they are sold in their place of origin), and contraband are those producing textiles, ready-made clothing, and footwear.

Nevertheless, the situation of these companies seems to have improved during the past few months, thanks to the increased inspections being made by the Customs Service.

The situation is clearer in the textile industry because, besides the imposition of posted minimum prices, the entry of imported fabrics was limited to eight ports.

Although these measures cannot reverse the damage done by unfair imports, the entry of goods imported unfairly is, in fact, being curbed.

Apertura Harmful

The fact is that foreign products, even if they enter the country legally, are causing harm to the national production.

A total of 42 percent of the industrialists polled indicated that apertura has had an unfavorable effect on their earnings, in a percentage approaching 37 in the case of sales.

The effect on profits is explained by the fact that the competition from foreign goods has pressured prices, at least affecting their stability.

This has caused business owners to find their profits reduced, despite the fact that costs have also declined owing to the tariff reductions, making it possible to obtain cheaper components.

The effect on sales, for their part, is explained by the fact that imported products are displacing national ones in certain sectors.

It is also significant that a high percentage of those interviewed do not think that apertura has affected either earnings or sales (35 and 36 percent, respectively).

As for service to the client, they think that they deserve a rating of 6.88 out of 10: one of the lowest after the financial and transportation sectors.

The industrialists appear optimistic about what the final quarter of the year will bring them. Slightly over half (55 percent) expect their production to increase, and only 5.5 percent think that it will decline.

Industrial Production, Jul-Sep (percent)	
Increased	35.2
Declined	20.9
Stable	39.6
Don't know/no answer	4.9

Small Companies Waiting for Christmas

It would appear that the status of the country's small and medium-sized business owners will improve during the final quarter of the year, despite the effects brought upon them by both the fair (imports) and unfair (contraband) competition that they have had to confront in recent months.

The expectations of a recovery in production and sales are due largely to the growing demand during the Christmas season. This factor has made it possible for small-scale orders to increase considerably since the end of the last quarter.

During the period between October and December, 47.7 percent of the small-sized business owners polled expect production to rise; 18.6 percent think that it will remain stable; and 7.6 percent say that it will decline.

Nevertheless, the uncertainty among many business firms will continue, considering the fact that 22.8 percent did not respond, or were unaware of the sector's situation.

When compared with the results for the last quarter, one infers that the present period will be far better, in view of the sales recovery due to the Christmas season. According to 32.6 percent of small-scale industrialists, production increased during the third quarter; while 26.7 percent said that it remained the same, and 16.3 percent, that it declined.

As for sales, 55.8 percent of those polled expect them to rise between October and December; 30.8 percent claim that they will remain stable; and 10.6 percent say that they will decline.

Problems

At the beginning of the year, one of the main problems observed by small-scale business owners was the procurement of credit, because some banks classified investments in small business as a high risk.

The banking entities argued that the vast majority of these producers' organizations were not prepared to compete on an open market with free importing.

This claim has been confirmed in recent months, because the sector's sales have been hurt by a massive entry of imported products.

Moreover, small industry has been faced with unfair trade practices, (dumping and underbilling), as well as contraband, despite the control measures adopted by the government.

Nevertheless, thus far this year, small business owners have managed to adapt to the foreign competition, and have devised marketing strategies aimed at maintaining their share of the national market.

Production, Small and Medium-Sized Industry, Jul-Sep (percent)	
Increased	32.6
Declined	16.3
Stable	26.7
Don't know/no answer	24.4

Insecurity Persists

Insecurity is definitely a persistent problem in the economy, almost like an endemic disease. This was the factor that most obstructed the productive sector's performance during the third quarter, according to 46 percent of the business owners polled by EL TIEMPO.

For the third time this year, the majority of those interviewed by the Economic Opinion Poll claim that problems involving public order are the ones curtailing investment plans and, generally, attacking the normal development of industries.

In certain sectors, such as finance, transportation, and construction, the problem is especially critical: Nearly 80 percent of the business owners in these industries queried responded that insecurity is the factor most detrimental to the economy and to their own companies.

The second factor with a negative effect on the economy relates to the competition due apertura. Nearly 37 percent of those polled think that the entry of lower-priced, high-quality imported products represents a difficult challenge for domestic producers.

In some cases, this situation has manifested itself in a slower rate of growth in sales. Hence, a large number of industrialists questioned think that, during the third quarter, they faced problems due to a low demand for their products.

However, there is a third factor considered fundamental by business owners: the uncertainty regarding the economic management. Nearly 25 percent considered this the prime factor affecting the country's productive activity.

In general, some industries are not promoting new projects nor embarking on aggressive marketing plans, for lack of a definite position on certain aspects of the economic management, or because of the risk that the ground-rules may be changed abruptly.

For example, the expectation of social security reform, entailing an increase in labor costs, is currently making future planning difficult, because the size of the increase in contributions is not yet clearly known.

The National Association of Industrialists (ANDI) has made some approximate calculations, indicating a surcharge of 500 billion pesos for the economy as a whole. Nevertheless, in the Congress, amendments are being made every week, contributing to the generation of uncertainty.

Companies "Don't Want" Cheap Credit

Although there are currently incentives and facilities for issuing stock shares or bonds that would make it possible to procure financing more speedily and at lower cost, business owners prefer the traditional systems.

Nearly 70 percent of those interviewed by the EOE replied that they did not plan to take advantage of such means for obtaining funds. They are not interested in issuing either stock shares or bonds.

Recently, the Superintendency of Securities even authorized the opportunity to issue short-term securities replacing bank overdrafts at appreciably lower costs.

However, the poll is conclusive: only 13 percent of the business owners queried have considered or have already engaged in issuing securities, and this has been done by large companies with income exceeding 10 billion pesos.

The EL TIEMPO poll also shows that there is widespread ignorance of the securities issue process as a financing option, because slightly over 20 percent of those polled claimed to have no knowledge of it.

Credit in dollars is not very attractive to 47 percent of the business owners comprising the EOE sample. They were asked whether their company is considering obtaining credit in U.S. currency, and neither the agricultural nor the financial sector evinced any particular interest.

Nevertheless, the responses were greatly divided. Nearly 50 percent of the entities in the industrial, construction, transportation, and commercial sectors answered affirmatively regarding the foreign debt.

According to figures from the Bogota Stock Exchange, by August of this year bonds totaling nearly 209 billion pesos, issued by business firms, had been negotiated: eight times more than the amount transacted last year. Nevertheless, these securities are associated primarily with the larger companies.

It is quite clear that most of the country's organizations have not yet tested, and are not even considering resorting to this system, as the EOE confirms.

Construction No Longer on an Elevator Rise

Despite the fact that the construction sector is still the Colombian economy's driving force, it began to show a slower rate of growth during the third quarter of the year.

Although it is among the sectors displaying some of the best results in production, sales, and earnings, the loss of vitality becomes evident when a large majority of the business owners polled think that those variables remained stable between July and September.

This phenomenon is due to the fact that 1992 was a record year, with a real growth of 10 percent: a figure very difficult to exceed this year.

Another reason is that, during the third quarter of the year, the construction industry embarked on a slowdown cycle, considered normal after every boom.

A total of 23.1 percent of the builders thought that production rose between July and September, and 53.8 percent, that it remained the same; while 7.7 percent replied that it declined.

Thanks to that good performance, 77 percent of the business owners claimed that sales remained stable or increased.

Nevertheless, a deterioration in earnings has begun to be noticed, since 30.8 percent of business owners saw them declining. In the view of 23.1 percent of builders, they increased; and 46.2 percent thought that they remained the same.

The prospects for the final quarter are not so good in the case of this indicator. Only 15.4 percent believe that profits will be higher, while 46.2 percent expect them to remain stable.

As for production, 77 percent of the business owners think that it will remain the same or grow during the October-December quarter. Only 7.7 percent of those polled expect it to decline.

According to 69 percent of the builders, sales during this period will remain the same or increase; while 23.1 percent expect them to decline.

Inflation Predicted at 22.7 Percent

The business owners do not believe that the target of 22 percent inflation set by the government for 1993 can be reached.

On the average, the nine sectors polled claimed that the cost of living this year would increase 22.7 percent.

Nevertheless, although the downward trend of inflation was broken during the past two months, the business owners' projections for the CPI are slightly more optimistic than those cited at the end of the first and second quarters of this year, when they gave estimates of 24 and 22.9 percent.

By sectors, the most pessimistic regarding cost of living is that of the transportation business owners, who claim that inflation will be 23.4 percent for 1993.

The agroindustry spokesmen do not agree with the government's goal either, and expect the prices of the family market basket to close with a 23.2 percent correction.

The only sector that agreed with the government's projections was that of mining.

According to the results of EL TIEMPO's Economic Opinion Poll, business owners think that the inflation target set by the government for 1993 will not be met until next year.

Coincidentally, transportation business owners remain pessimistic about the control of the CPI, expecting it to reach 22.7 percent in 1994.

The industrial, financial, mining, and agroindustrial sectors believe that inflation will stand at 21.6 percent next year.

On the other hand, the prospects for employment remain steady. Although the EOE does not take a specific rate into account, the increase, maintenance, or decline in jobs generated warrants the expectation that there will be no sudden changes, at least over the medium term.

Slightly over half the 300 persons polled think that the generation of employment will remain stable, and 24 percent believe that it may be possible to increase their job numbers.

Commercial Sales Continue To Grow

Commerce is still not letting down its guard. Not only is it the sector devoting the most attention to its clientele, but it is also among those with the largest increase in sales and earnings during the past few months.

In keeping with the benefits offered to this sector by the deregulation of imports, commerce gave the government's economic management a rating of 3.5. At the same time, it offered one of the most optimistic figures on economic growth for this year and next, estimating it at 4.23 percent.

According to the results of EL TIEMPO's Economic Opinion Poll, merchants are the ones most identified with the government's projections on economic growth and inflation: that is, 4.5 and 22 percent, respectively.

In all respects, commerce improved the situation recorded for the the first quarter of the year. Furthermore, the expectations for the next three months are quite favorable, owing to the arrival of the season for year's end sales.

The merchants have begun preparing to deal with the increased demand in December. Hence, 31 percent of those polled claimed that their production would increase during the next quarter. They also expect this growth to be more evident in sales and earnings.

During the previous quarter, because it is a relatively dull period for commerce, only 25 percent of those polled reported growth in their production. Nevertheless, sales for the same period increased for 31.4 percent of the business owners interviewed.

Stable Employment

The employment generated by commerce was virtually nil, since 17 percent of the business owners claimed to have expanded their personnel payroll during the July-September quarter, while an equal percentage reported layoffs.

This situation differs from that shown for the economy as a whole because, according to the poll results, 22.4 percent of the business owners created new jobs, while 55 percent reported stability.

In the merchants' view, apertura has had no effect on the sector's exports. Nevertheless, the growth in foreign sales on the part of other business owners has not hurt them either.

The situation is different in the case of imports, because the greater diversity of both national and foreign products that can be offered on the market benefits the merchants.

According to 17 percent of the merchants, the deregulation of imports is very good; while 20 percent claim that this policy benefits them, and only 11 percent consider it negative.

The merchants maintain that the financial brokerage margin in Colombia is too wide.

Commerce: How Was the Third Quarter for You? (percent)

Sales		Earnings	Employment

Increased	31.4	31.4	17.1
Stable	42.9	28.6	60.0
Declined	22.9	34.3	17.1
Don't know/ no answer	2.9	5.7	5.7

Apertura Hurt Profitability

Apertura has become the worst enemy of earnings, considering the fact that a third of the business owners, regardless of the sector to which they belong, indicated that the new economic model has had a negative effect on profits.

The other third do not think that it has harmed the performance of their earnings, and only 24 percent report a positive effect.

Those most hurt are the industrialists, judging from the results of the Economic Opinion Poll taken quarterly by EL TIEMPO.

Thus, it is evident that the entry of quality foreign products at competitive prices has forced a slight decline in prices.

A total of 42 percent of those interviewed remarked that apertura had an unfavorable effect on their profits, and 35 percent claimed that it had no effect.

Commerce stands on the side opposite the trend: 26 percent of those polled say that the effect was positive, and 37 percent, that they were not hurt.

Oddly enough, apertura has not had such negative effects on sales. While 28.1 percent say that it proved unfavorable, 23.9 percent consider it positive.

The averages indicate that 37.3 percent of those polled, regardless of the sector to which they belong, do not think that apertura affected sales, earnings, employment, exports, or imports.

Effect of Apertura on Your Company, Jul-Sep (percent)

Factors	Very favorable	Favorable	No effect	Unfavorable	Very unfavorable	Don't know/no answer	Not applicable
Sales	5.3	18.6	40.7	24.3	3.8	7.2	-
Earnings	3.0	21.7	33.8	29.3	4.2	8.0	-
Employment	1.5	14.1	56.7	15.6	3.0	9.1	-
Exports	1.9	12.9	34.2	7.2	2.3	14.4	27.0
Imports	10.3	27.8	20.9	4.9	0.8	15.6	19.8
Averages	4.4	19.0	37.3	16.3	2.8	10.8	-

High Cost Credit

According to 77 percent of the business owners queried, the difference between borrowing and lending rates in Colombia is too great. In other words, the banks are retaining too great a margin.

On this occasion, the Economic Opinion Poll included a question on the brokerage margin of financial entities, and the vast majority of those polled agreed that this difference is great or too great.

That assessment from the business owners questioned by EL TIEMPO agrees with the analyses and statements made by various sectors in recent months.

The government and the board of directors of the Bank of the Republic itself have sought various devices to force the local financing sector to reduce its interest rates on credit. Measures such as the issuance of government securities at very low rates and apertura to external credit have been applied.

Nevertheless, the situation has not changed much. Whereas the rates paid by the banking entities on savings have been declining during the past two years, the cost of credit has been kept high.

The conclusion is simple: the margins have increased in the banks' favor.

The government recently published a study by the World Bank on the subject. In brief, the multilateral entity demonstrated some levels of inefficiency on the part of the local banks in comparison with those in the rest of the world.

The local bankers consider the margin a result of the market, the high level of cash reserves, and the cost structure of the entities.

The Customer Is Not Right

Although the productive sector makes its living from its clientele, it would appear that business owners are not much concerned about how satisfied or unsatisfied their purchasers are. Furthermore, they are not making any major efforts to improve.

According to EL TIEMPO's Economic Opinion Poll, only 22 percent of the business firms questioned have an effective system for gauging the level of satisfaction among their clients.

The poll indicates that 76 percent of business owners are not very attentive to the needs of the purchaser, or are only partially so.

Although it may seem contradictory, when 300 persons polled were asked to rate their service to the client from 1 to 10, they gave themselves scores leaving the average at 7.2.

This situation could be partially explained by the small investment in data processing reported by the companies, as was shown by the EOE for the second quarter. On that occasion, it became clear that they "squeaked through" on data processing with a rating of 5.64 out of 10.

The insufficient attention to the client is in direct contrast to the modernization and improvement of competitiveness, considering the fact that the success of any investment does not lie solely in production outputs, but also in the aggressiveness of the marketing systems.

The most disturbing situation is that of the financial sector, which admits that its services in dealing with the client deserve only a rating of 5.5, on a scale of 1 to 10. Of the total number from this sector polled, only 16.7 percent use a reliable system for measuring the quality of their services to the client.

This phenomenon is repeated in the case of the transportation business owners, because 77 percent of those queried are only partially concerned about measuring good service to clients.

Does Your Company Have an Effective System for Measuring the Level of Your Clients' Satisfaction? (percent)

Sectors	Yes	No	Partial	Don't know/no answer
Industry	28.6	27.5	37.4	6.6
Agroindustry	29.0	22.6	29.0	19.4
Exporters	25.3	23.0	44.8	6.9
Mining	18.2	18.2	45.5	18.2
Transportation	0.0	16.7	75.0	8.3
Construction	15.4	15.4	61.5	7.7
Services	36.8	31.6	29.8	1.8
Commerce	31.4	28.6	40.0	0.0
Financial	16.7	16.7	66.7	0.0
Total average	22.4	22.4	47.7	7.7

Service to the Client (Rating from 1 to 10)

Sectors	Average rating
Industry	6.88
Agroindustry	8.08
Exporters	7.08
Mining	7.50
Transportation	6.30
Construction	7.61
Services	7.72
Commerce	7.26
Financial	5.50
Total average	7.21

Employment Not Moving

The employment level has not changed. Slightly over half the 300 persons polled reported that this indicator remained stable during the third quarter, and it apparently will not change during the next few months.

Although a quarter claimed to have created new jobs, it must be realized that this is explained, fundamentally, by the expansion reported in construction. It was also helped, partially, by financial activities and the services sector.

Unquestionably the most disturbing, but also expected, result is that shown by the agroindustrial sector, in which there was a reduction in jobs according to 38 percent of those polled.

Despite apertura and the high level of goods moved in the transportation sector, 83 percent of the business owners claim that their jobs remain stable, and only 17 percent mentioned an increase.

Performance of Employment, Jul-Sep (percent)

Increased	22.4
Declined	18.3
Stable	55.1
Don't know/no answer	4.2

Methodology

On this occasion, EL TIEMPO's Economic Opinion Poll (EOE) questioned 300 business owners from nine economic sectors comprising the gross domestic product (GDP).

The firm Yankelovich Innova de Colombia made use of the data base of Confecamaras [Confederation of Chambers of Commerce], which has 377,000 business firms registered. It selected the most representative companies from the small, medium, and large-sized enterprise sector.

The poll questions were answered directly by representatives on the managerial level from the companies selected.

The analysis and write-up of this poll were executed by the journalists Luis Alberto Lopera (Economic Editor), Jaime Mejia Mazuera, Marcela Escobar R., Jacquelin Guevara G., Edmer Tovar M., Jaime Cristancho G., Jorge Armando Riano, and Carlos Fernando Gaitan.

Paraguay

Lower House Approves Salary Hikes, Military Food Bonus

PY1611013093 Asuncion ULTIMA HORA in Spanish 10 Nov 93 p 13

[Excerpts] The Chamber of Deputies today approved that the value-added tax, VAT, will continue to be 10 percent until 30 June 1994, after which time it will be reduced to the level (8 percent) originally established in the tax law. [passage omitted]

The Chamber of Deputies also approved a resolution authorizing the judicial branch access this year to the 10 percent salary increase granted by the government last May for public servants. This increase will be granted to all those who earn less than 1.25 million guaranies. In addition to this increase, the Judicial Branch will also benefit as of next January with the 10 percent salary increase approved 13 November.

In fact, during its session last Saturday the Chamber of Deputies approved a 10 percent salary increase as of next January for public servants, members of the military, and policemen. For these two last sectors the Chamber of Deputies also approved a food subsidy of 100,000 guaranies according to rank. [passage omitted]

This measure will cost the Armed Forces 65 billion guaranies, the police 69 billion guaranies, the Health Ministry 54.23 billion guaranies, and the Education Ministry 286 million guaranies. The replacement of foodstuffs with a food bonus will cost the public 28.641 billion guaranies in the case of the Armed Forces.

Peru

Fujimori, World Bank President Tour Jauja Province

PA1511130293 Lima Global de Television Network in Spanish 0100 GMT 12 Nov 93

[From the "Direct Line" newscast]

[Text] President Alberto Fujimori today showed World Bank President Lewis Preston the benefits of peace that Peru has recovered. The two men, accompanied by other authorities, visited several towns in Jauja Province in the central mountain range. President Fujimori arrive in Jauja Province at approximately 1000. He was accompanied by World Bank President Lewis Preston, who is visiting our country for the first time, as well as by Economy and Finance Minister Jorge Camet, Transportation Minister Dante Cordoba Blanco, and Agriculture Minister Absalon Vasquez Villanueva. Immediately after their arrival, they went to (Tunanmarca), making a brief stop in Acoya District—a district well-known for its musical bands. In (Tunanmarca) the president inaugurated the Jose Maria Arguedas School built by (?Infes) [expansion unknown] at a cost of more than 440,000 sols.

[Begin Fujimori recording] My government is committed to completely modernizing education. Here you have the first school we inaugurate in Jauja Province. [applause] We will continue with this project. [end recording]

President Fujimori and his delegation then went to Concepcion to inaugurate the 23 km long stretch of highway between Jauja and Concepcion, which was built at a cost of 4 million sols provided by the Peruvian Treasury. In Concepcion, Fujimori strongly stressed that peace in the country is necessary, because, without peace, the government's economic policy would fail. Fujimori also talked about the surcharge, saying the government's goal is to ensure profitable prices for the products produced by the residents of the Andean region.

[Later in the same "Direct Line" newscast, Lima Global de Television Network in Spanish at 0200 GMT on 12 November carries a one-minute announcer-read report on statements by World Bank President Lewis Preston, who says the World Bank "will continue to provide economic assistance for the structural changes the Peruvian Government is making." Preston also said, "Special emphasis will be given to the areas of health, education, roads, and agriculture."]

CCD Approves Relaxation of Antiterrorist Law

PA1611013693 Lima Global de Television Network in Spanish 0100 GMT 13 Nov 93

[From the "Global TV News" newscast]

[Text] The Democratic Constituent Congress [CCD] approved today a new law relaxing the antiterrorist law the government used in recent years to fight subversion. The changes correspond with the growing peace the country is experiencing.

The CCD initiated its plenary session this morning by unanimously approving an Executive Branch bill authorizing the Armed Forces to search for and arrest drug traffickers in areas where there are no police stations. Those arrested must be placed immediately at the disposal of the nearest police station.

Afterward, the accusation against former Economy and Finance Minister Carlos Bolona—a case that involves the alleged corruption of personnel—was sent to the Supervision Commission chaired by Dr. Marta Chavez.

Then the modification of the antiterrorist law—a bill introduced by the Executive Branch and presented by

Alfonso Bustamante y Bustamante, president of the Council of Ministers, on 24 September when the Cabinet of Ministers attended a CCD session—was approved.

[Begin recording] [Justice Commission Chairman Cesar Fernandez] Congress has approved two bills almost unanimously, as you have seen, by 98 congressmen, except for two or three people. This is very positive. These dispositions are very positive.

[Cogresswoman Lourdes Flores] We have approved the review of military justice. This is a step forward, but I think it is not enough. We have to continue improving our legislation as we progress in defeating subversion. [end recording]

Uruguay

President Lacalle Welcomes New Interior Minister Iturria

PY1511202893

[Editorial Report] Montevideo EL PAIS in Spanish on 11 November publishes on page 9 an unattributed 400-word report on a meeting between President Luis Alberto Lacalle and new Interior Minister Raul Iturria.

The report says that President Lacalle welcomed the new interior minister and new Interior Under Secretary Juan Luis Storace, and thanked former Interior Minister Juan Andres Ramirez and former Under Secretary Carlos Moreira for their services to the nation.

The report adds that Minister Iturria gave a speech thanking the president and stressing his willingness "to look after public order and care for family values," noting that "honesty is not a merit, but an obligation."

Venezuela

Velasquez Remarks on Importance of Citizens Voting 5 Dec

PA1611014093 Caracas Venezolana de Television Network in Spanish 2350 GMT 12 Nov 93

[Report by Cecilia Pachano; from "The News" newscast]

[Text] President Ramon J. Velasquez has confirmed his attendance at an event at the Supreme Electoral Council [CSE] on 15 November. The head of state said he wants the country to vote on 5 December, because the only weapon that the disarmed Army—the 20 million Venezuelans—has is an identification document entitling them to the right to vote. He said that all of the political sectors will be present at these elections and that the electoral process has never been as important as this one, because it will guarantee democratic continuity.

[Begin Velasquez recording] It is important that the citizens of the country's 22 states vote on 5 December to guarantee democratic continuity. I have often said that in view of recent developments the 5 December elections will be more than regular elections, because they represent a change in the national political arena. [end recording]

Interior Minister Carlos Delgado Chapellin has rejected the possibility of moving forward the hand over of power. He described as insignificant the groups that want to prevent the normal development of the elections.

[Begin recording] [Delgado] We will reinforce security measures around the media, particularly around the electric system in view of the many rumors buzzing about.

[Unidentified reporter] Will people be able to leave and return to the country and move about freely?

[Delgado] I think that there should be no problems. The CSE, which will assume a number of duties, will control the flow of people into and out of the country. We must understand that Venezuela has a vast democratic experience. The elections will be a simple act of democratic routine; it does not mean that the country will come to a standstill, that there will be a curfew or that people should stock up on food. The electoral process must be a simple and civilized event, as in any country. [end recording]

Velasquez Comments on Significance of 5 Dec Elections

PA1511182093 Caracas Venezolana de Television Network in Spanish 1556 GMT 15 Nov 93

[Interview with President Ramon Jose Velasquez by reporter Jose Marcano outside the Supreme Electoral Council building in Caracas; from "The News" newscast—live relay]

[Text] [Marcano] President Ramon Jose Velasquez is now entering the Supreme Electoral Council [CSE] accompanied by Interior Minister Carlos Delgado Chapellin. We are going to ask him about the reasons behind his visit. Mr. President, what can you tell us about your visit here to the CSE?

[Velasquez] I have come here because I want to tell the nation that the 5 December election is much more than a process of simply selecting new officials for the nation's branches of government, especially in light of the character the current national crisis. Permit me to explain.

The country is experiencing a situation that should be resolved by the will of the majority of Venezuelans as expressed at the polls on 5 December. I trust in the Venezuelan people's ability to decide their own destiny. A new national outlook will arise along with the composition of the new legislature. The presidential candidates are aware of the difficult times we are going through in terms of our fiscal and economic situation, and, therefore, they are aware of the social conflicts they must face.

I believe, then, that Venezuela must realize, beyond all partisan interests, that we are approaching a historic moment. The future during the past—excuse me—the next 10 years depends on Venezuela's democratic maturity and the active participation of its people at the polls.

[Unidentified reporter] Is our democratic system at stake here?

[Velasquez] Our historic destiny is at stake.

[Marcano] Thank you, President Ramon J. Velasquez.

Postpones Privatization Until Elections

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[Report by Zayda Pereira from "The News" newscast]

[Text] The president decided to halt the privatization process under way in certain state-owned enterprises in view of the 5 December presidential elections. According to Villalba [Julian Villalba, president of the Venezuelan Investment Fund], this will create a $700 million deficit in the 1994 budget because there are various enterprises, such as the National Race Track Institute, Aeropostal, sugar mills, and the electric power companies that will continue generating losses for the Venezuelan state. Some of those enterprises will require continued capital investments to keep them operating, with expenditures estimated between 30-50 million bolivares [Bs] a month. In the case of the National Race Track, the deficit is Bs500 million, which the Venezuelan state has to absorb.

This decision, according to the president of the Venezuelan Investment Fund, was made by the president on 14 November. It was necessary, therefore, to contact all the people who were prepared to participate in the various projects to get them to withdraw from the process. Villalba also clarified that investigations will continue as well as the actual process, because it is the public auctions that have been halted.

[Begin Villalba recording] In certain cases such as Urena [sugar mill], we will have to wait for the end of the sugar harvest. Aeropostal will also have to keep operating. As I said, the cost will really depend on how long this is put off. There are some enterprises that require Bs30 to 40 million every month, others need Bs50 million, others maybe less. Anyway, it is a cost I cannot nail down right at this moment because it will depend on the time that elapses. [end recording]

Regardless of all this, we need to know what the investors decide and whether they will keep their options open if Venezuelan privatizations continue next year or if they will withdraw.

Velasquez News Conference on Elections

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[News conference by Venezuelan President Ramon Velasquez moderated by the press director of the CSE with domestic reporters at CSE building in Caracas—live relay]

[Text] [Supreme Electoral Council (CSE) President Isidoro Morales Paul] Good morning, Messrs. journalists. We welcome the president of the Republic, who has come to voice his support for the country's top electoral organization. This reflects his unequivocal determination to ensure that the results to be announced by the CSE in December will authenticate the elected authorities. It is an honor for the CSE to welcome President Dr. Ramon J. Velasquez to its facilities. We are highly honored by his presence as president and as a human being. Have a very good morning.

[Moderator] Carla Spector of Radio Caracas Radio.

[Spector] Good afternoon, Mr. President and members of the Supreme Electoral Council [CSE]. In your capacity as president, yesterday you pledged to ensure that the results of the elections will be respected. The current electoral atmosphere, however, is somewhat complicated by discord among certain political parties, negative comments about the CSE, and even a controversy between the Defense Ministry and Radical Cause Party representatives. How can we guarantee not only the election results but also that calm will prevail among the people between now and the elections?

[Velasquez] Peace prevails in democratic countries such as Venezuela. Obviously, there are serious social conflicts; there are electoral debates; there are segments of the population that do not view the elections as a solution; and there are increasingly larger segments of the population, which do not belong to any political organization, that are organizing in neighborhood groups or groups whose members share ways of focusing on problems to participate in the elections.

Tension is normal in countries that enjoy freedom. I repeat, doubts and tension are normal. It is normal for all organizations involved in the debate to pose questions, make claims, and voice doubts.

I have faith that we will hold elections on 5 December and ultimately proclaim the new officials. As I said earlier, a new national arena will be be created. It is the government's duty and the duty of the country's Armed Forces to guarantee the successful completion of this process. Venezuela is committed to democracy. Democracy gives parties, groups, and individuals the possibility of developing all of their activities.

During the last two weeks in November, the dialogue should intensify in two areas. The first is to teach voters to deal with the huge array of candidates, especially the

legislative lists—lists for the election of senators, deputies, and deputies to the legislative assemblies—because these lists, the concept of electoral areas, and other issues are new to the people. In this way, we will eliminate some of the dirty war that may exist. Second, we must heighten awareness by teaching millions of Venezuelan voters how to vote, especially in the legislative elections. I hope you are pleased with my answer.

[Moderator] Milagros Duran of EL NACIONAL newspaper.

[Duran] Good morning, Mr. President. The presidential candidate for National Convergence has said that there is a scheme to prevent the 5 December elections. Do you share his view? What segments of the population might be interested in preventing the December elections?

[Velasquez] I read such statements today. I will meet at 0930 tomorrow at Miraflores Palace—this will be the fourth meeting—with former President Dr. Rafael Caldera—the presidential candidate for National Convergence, for the Movement Toward Socialism [MAS], and for many other parties. I will ask him during the dialogue, which has always sought to ensure the success of the elections, to expound on the statements I read today.

I have said that the government has a duty to ensure that the 17 candidates admitted and registered by the CSE receive full guarantees from the national government. I have said this to Dr. Rafael Caldera; National Convergence leaders; MAS leaders; leaders of the People's Electoral Movement; and to other groups that support Caldera—to Pablo Medina and Mateu [not further identified], while they were in the company of Radical Cause candidate Andres Velasquez; to Democratic Action [AD] President Pedro Paris and AD Secretary General Luis Alfaro Ucero, while they were in the company of candidate Claudio Fermin; to Mr. Hilarion Cardozo and Dr. Jose Curiel, while they were in the company of Dr. Oswaldo Alvarez Paz; and to General (Ojeda Valenzuela), Dr. Jose Antonio Cova, and Dr. (Fernando Vianda).

[Velasquez] Any doubts like those raised by former President Rafael Caldera must be dealt with by the national government. I promise that tomorrow during my meeting with Dr. Caldera at Miraflores I will ask him to elaborate on his concerns.

[Moderator] Anais Arizmendi from EL GLOBO.

[Arizmendi] Mr. President, yesterday you said that you would not allow judicial proceedings to be [words indistinct]. The defense minister, however, said the investigations would continue [passage indistinct]. Can it be said that differences exist between you and the defense minister on how to achieve peaceful elections on 5 December?

[Velasquez] There are no differences now—and there cannot be any differences between the president of the Republic and his ministers. This issue should not be used to imply that contradictions exist. The national constitution clearly defines the role of the president of the Republic and the ministers. It is the duty of the defense minister—when it comes to discussing the theft of weapons from the national park in 1992—to investigate until the weapons are found and recovered. What I have said before—and I repeat—is that no judicial proceeding already in progress in any of the different civilian or military courts should obstruct the proceeding. We are determined to hold elections that are above reproach.

[Moderator] Margarita Oropeza from Venevision.

[Oropeza] Good afternoon, Mr. President. My question is along similar lines. Do you completely support the statements of Defense Minister Vice Admiral Radames Munoz Leon? We'd also like to know if you are willing to call for the truce being promoted by the Radical Cause Party because, as you said, the democratic system is at stake. Could we arrive at a truce and end all this bickering so that all Venezuelans can have peaceful elections?

[Velasquez] You have asked several questions. I am asking the nation to debate these ideas during the phase that begins today. Each electoral group, each political party organization must present its definite proposal. The different sectors that support presidential candidacies... [interruption by speaker in background, whose remarks are indistinct]

There is one specific thing people would like to hear from each of the candidates, one of whom will be elected president in 19 days. That is: What are they going to do with Venezuela? I'm not saying this is an inert nation just waiting to see what the elected government does. Not at all. I mean to highlight the kinds of problems now on the table; they will not go away on 5 December. These problems have a significant effect on our democratic structures, because they are social problems stemming from incompatibility between social classes. There are also very serious fiscal problems, economic and development problems, and sovereignty issues. I don't mean to write a book here or, much less, become rhetorical, or even use this time to repeat what people already know about the direction the nation will have to take under a new president.

Regarding the defense minister, who has said what he thinks, we must not forget that he—as a member of the cabinet—is the political spokesman for his sector, while the governing of the country remains in the chief of state's hands. The media constantly highlights contradictions and confusions between several ministers, as inferred from their statements to the press.

Bear in mind exactly how I had to form my government after the political parties pulled out, saying they wanted no part in it. I was forced to create a cabinet of personalities. We had to invite people to leave their companies, law firms, or clinics and join a government that had to bring one of the most difficult periods of this era to a close. It was very difficult to find these people, especially

because we were barely seven months from the end of this constitutional period; we faced serious fiscal differences and needed to ensure that we arrived safely at the end of this period. There is unity in this government because that is the president's job.

[Moderator] A question now from Carlos Ubero, of EL UNIVERSAL.

[Ubero] Good morning, Mr. President. I will talk about something you like very much: history. I believe your presence here has to do with a historical event that occurred exactly 35 years ago at this very place. This was the historic Punto Fijo electoral agreement, which some of us may like and others not. In any event, that pact has helped Venezuelans consolidate 35 years of democracy. I understand that you and the president of the Supreme Electoral Council have tried to effect a pact similar to the one signed 35 years ago by presidential candidates in this same hall, promising to respect the electoral results that this government institution will give the nation. I also understand that your efforts have been unsuccessful. Would you tell the nation why those efforts have been unsuccessful and if anyone is responsible for their failure?

[Velasquez] Your question gives me the opportunity to review our history, our recent history. I won't go back to the times of General Joaquin Crespo. The Punto Fijo Agreement came out of the inability of political parties to name a single candidate in 1958. At that time, after 10 years of dictatorship each party wanted its candidate to be the only candidate. Time passed; finally an agreement was reached. Each party would name its candidate; whoever was elected would be supported by the others. That's how the government of 1959 was created. It was an exceptional government because within the Council of Ministers, the party that carried Romulo Betancourt to the presidency of the Republic was in a minority. Three ministers were from Copei [Social Christian Party]. I remember Lorenzo Fernandez, Andres Aguilar, Victor Jimenez Landino. There were three ministers from the URD [Democratic Republican Union]: Ignacio Arcaya, Lopez Rivas, Hernandez Solis, and then Dominguez Chasin. There were also three independent ministers of the statute of Rafael Pizani, Arnoldo Gabaldon, and others.

That government was created after 10 years of dictatorship, 10 years of total silence, 10 years during which newspapers had to take their material, including advertisements, to the Caracas censors. I remember that once the entire staff of a newspaper—for which I have written a lot—including its editor, were arrested for two questionable lines published on the sports page. There was no radio news under the dictatorship; if there was any, it was censored. Suddenly, newspapers were full of society news, the number of deaths dropped to two: one from AIDS, the other from an act of jealousy. Newspaper columns disappear. Calls to the prefecture are characteristic of repressive governments. Thirty-five years have since passed.

The Punto Fijo Agreement included other agreements between the business sector and labor on salaries, employment increases, and so on. What has happened? A total of 35 years, the age at which a person reaches maturity, have passed. Another country was born in 1959 or another country is being born.

That is why I have said that these elections—in addition to being the seventh or eighth peaceful elections in a row—will change the nation's political landscape. Look at the polls published in your newspaper. Look at the composition of the Congress, and you will see how the picture changes. We are talking about a new national landscape.

As for the agreement, I could not achieve the national agreement I proposed the day the Congress elected me because I believe the problems that lie ahead or the problems we are facing now are of such magnitude that the next government will need an enormous amount of national support. The next government must solve its fiscal problems in order to meet wage demands. It must face the problems of devaluation, and so on. These problems require an agreement. We could not come to an agreement, but I believe the country wants to vote, the country is willing to respect the results of the elections. There is a collective awareness in the country which I believe is the best kind of agreement.

When I am told that Venezuelans have lost interest in elections, I reply: Venezuelans no longer need those giant rallies of the past. They already know who they're going to vote for, and they are going to do it on Sunday. They are going to vote and then go to the beach, church, or home. They are going to know who won by the end of the day. That is why the best agreement is the one we are reaching with the people.

[Moderator] Vilma Monroy from Radio Caracas Television.

[Monroy] Good afternoon, Mr. President. I would like to know if you as commander in chief of the National Armed Forces can assure the country that the so-called Gray Wolf Operation, which has been reported and which would be implemented if Dr. Rafael Caldera or Andres Velasquez won the elections, will not be implemented. The Gray Wolf Operation is supposedly being planned by the defense minister and the military high command.

[Velasquez] I reject that report. On behalf of the National Armed Forces I reject that statement.

I have talked to the command staff members of the country's four military forces and to the defense minister, and I believe that they are people who are conscientious in their roles and who have a sense of responsibility toward the country. At this time in Latin America, nobody is going to disavow election results. I do, however, want to warn and point out that Election Day is a day of awareness and one in which disturbances have to be avoided. It is a day about which we should be hopeful

because this time, at each voting table, at the CSE, and throughout the nation's 22 states, all concerned sectors will be represented. I ask the country to be aware of this and assist those parties that do not have enough representatives to man all voting tables.

Venezuelans who commit themselves to represent the parties at the voting tables should be aware that Election Day will be a very long day, because the count of legislative listings will go well into the morning of 6 December.

My impression of Venezuelan democracy and the country, since thanks to my long life I've been a player in many episodes.... [pauses] I have lived under dictatorship and under democracy. In Venezuela, citizens and soldiers, old and young, women and men have a sense of responsibility that will not fail.

[Moderator] Hernan Lugo of EL DIARIO DE CARACAS will take the next question.

[Lugo] Good afternoon, Mr. President. If you will allow me, I would like to ask two questions. Given that the electoral pact proposed by both the government and the CSE failed, I would like to know or the country would like to know how the government will control the excessive overconfidence among candidates that may appear on 5 or 6 December, without resorting to the so-called Gray Wolf Operation, as has been rumored. Will you fire the defense minister? On the other hand, the national press reports that statements by Lieutenant Bracamonte were made to cover up the reasons for the presidential pardon of drug traffickers. What's your opinion, Mr. President?

[Velasquez] I repeat what I said before. Given the sense of responsibility of the Armed Forces, given the behavior displayed by the Armed Forces in the face of attempts to disrupt public order throughout these 35 years, given the fact that the Armed Forces are comprised of Venezuelans who are members of a democratic society, they may and could have different viewpoints, like in all national activities. They have a professional consciousness. I am not talking just to have something to say. I experienced the 1960's from an exceptionally important vantage point for appreciating such behavior. I know how much the attitude of the Armed Forces in the 1960's meant in the face of the subversive situation and conspiracies like the one that happened recently.

The National Armed Forces have been a factor of democratic consolidation, not only because of their participation in the Republic Plan, but because they guarantee public peace on a daily basis.

The National Armed Forces are the people. The Armed Forces are the only profession that does not exclude any Venezuelan due to social status. The Armed Forces include village boys, neighborhood boys, boys from shantytowns, and if those boys have the ability, they are successful in the Armed Forces. Look at the Armed Forces' structures: They are the most democratic of all organizations. Their members come from rural areas, from small towns, from neighborhoods.

In the Armed Forces you will find no more than 20 names of people belonging to what is known in Caracas jargon as the oligarchy. The Armed Forces are the people.

To secure promotions they must meet proficiency requirements. This is the only institution in which we do not find cronyism, because when the time for retirement comes, often when a person is still fully capable of doing his job, that person must retire.

There are many former Armed Forces members who went to civilian universities and who are now attorneys, geographers, psychologists, sociologists, and so forth.

[Moderator] Mr. President, the last question is from Ernesto Vegas from Radio Rumbos.

[Vegas] Good morning, Mr. President. I am going to insist on one question already asked by some of my colleagues, because the people are somewhat concerned as there are again rumors about an alleged coup d'etat, and elections are only three weeks away.

Do you think there could be some hairy hand [mano peluda, referring to the 'hand' of a gorilla, derogatory for military man] behind these rumors, or do you think that an effort is being made to confuse the people? Do you know the names of journalists allegedly plotting? Thank you.

[Velasquez] Approximately three months ago I said that rumors are a natural part of the character of Caracas society. I said it based on a history book. In 1808, Alexander Humboldt—the great traveler—visited the equinoctial region. He visited the New Spain viceroyship; that is, Mexico and Guatemala. He also visited the Peru and New Granada viceroyships. He also visited the Venezuelan Captain-Generalcy. He later visited Cuba. Upon returning in 1808, during colonial days and before independence, he said: The most political and gossipy cities in America are Havana and Caracas. [laughter]

Naturally, the government is obligated to knowing what is going on. I am going to tell you of something: I get more information from radio newscasts, from the newspapers, and from television newscasts than from intelligence reports, which do not exist these days. Such reports are over. The best source of news is the media. The Liberator used to say that the media is the fourth power. These days you build and destroy, give form and deform. For that reason I always say to my colleagues: I am a journalist and proud of it. This is just a temporary job—to be objective. Reporters who slander and who manipulate the news distort their own personality. Factual information is objective, period. Objective information does not need to add adjectives or to twist facts. You must realize the power you have. The media now has much more power than the political parties used to have.

For the media to be able to exercise this power, there must be democracy. The way to have democracy is to be objective.

I will finish answering my Radio Rumbos colleague by saying this: The government has the obligation to be informed, to alert the people, and to say what it thinks. Have a good day.

Denies Operation 'Gray Wolf' Plan

PA1611024693 Caracas Venezolana de Television Network in Spanish 2350 GMT 15 Nov 93

[Report by Jose Marcano; from "The News" newscast]

[Text] [Announcer] The president is leading the country, because the defense minister is only a political spokesman for his sector, asserted President Ramon Jose Velasquez during a visit to the Supreme Electoral Council [CSE].

[Begin recording] [Marcano] The president, accompanied by Interior Minister Carlos Delgado Chapellin, arrived at the CSE to see how the electoral process, which ends on 5 December, is progressing. The president reiterated that the elections will be different from previous ones. During a news conference Velasquez said that he will meet on 16 November with National Convergence candidate Dr. Rafael Caldera to hear more details about Caldera's charge that there is a move to stop the elections.

Velasquez admitted that he failed to get a national agreement and an electoral pact signed; he believes, however, that the Venezuelan people have matured and are aware of the need to vote. Velasquez said that the best agreement is the one made with the people. He denied that the Armed Forces is planning an alleged operation called Gray Wolf [Lobo Gris].

[Velasquez] I have spoken to those who comprise the Armed Forces's high command of the four branches and with the defense minister. I believe that they are people who are conscious of the role they play and have a sense of responsibility with the people and that at this moment in Latin America no one is going to disregard the election results.

[Marcano] President Ramon J. Velasquez took the opportunity to announce the reaffirmation of democracy act, which will be held at Miraflores Presidential Palace on 23 November. It will be attended by the presidential candidates, members of the three branches of government, and all Venezuelan active forces. [end recording]

Exiled Military Say United States Gave 'Go-Ahead' To Plot

PA1611010093 Caracas EL NACIONAL in Spanish 13 Nov 93 p D-2

[Article by Jesus Eduardo Brando]

[Text] A group of Venezuelan military officers exiled in Ecuador and Peru and linked to the Bolivarian Movement have charged that a "coupist" operation, parallel to the Republic Plan VII, has been set in motion. This group claims that "the anticonstitutional and antidemocratic plot is being directed and promoted by the defense minister and the members of the military High Command."

A report delivered to EL NACIONAL and signed by Colonel Ifiginio Castro, Captains Antonio Rivero and Oscar Navas Tortolero, Lieutenant Henry Rosales, Specialist First Class Ricardo Bastardo, and Sergeants Bastidas and Alfredo Riera, all of whom live in exile in Quito and Lima, states that there is a coupist operation called "Gray Wolf" [Lobo Gris].

According to the group, the defense minister heads this operation "to assume and control power, with the go-ahead of the United States, either during the days preceding the national election or on election day. The group has reportedly practiced its action twice by producing two nationwide blackouts while taking strategic positions."

This campaign envisages, according to the exiled group, a phase of propaganda and persecution against the defenders of the people. It includes plans to discredit the Bolivarian Movement and the options of those who work to create awareness and raise the people's morale by accusing them of being enemies of democracy, the exiled group charged.

Seized Document Outlines Plan To Promote Election 'Chaos'

PA1511204593 Madrid EFE in Spanish 1838 GMT 15 Nov 93

[Report by Marcel Roo]

[Text] Caracas, 15 Nov (EFE)— Venezuelan military personnel are assuming a leading role in the country three weeks prior to general elections in Venezuela amid a climate dominated by charges of a possible coup d'etat.

Defense Minister Vice Admiral Radames Munoz Leon today reported the existence of plans by the military officers who participated in the 4 February and 27 November 1992 coup attempts to prevent the 5 December elections.

Munoz Leon disclosed that a subversive document was seized from the military officers who are in jail for the 4 February attempt. The document was addressed to officers who sought exile in Peru following the February insurrection. In the document, the exiled officers are asked to join efforts in preventing the elections from being held.

A group of officers, including General Francisco Visconti, who sought political asylum following the 27 November foiled coup attempt, are residing in Peru.

Political circles interpreted Munoz Leon's charge as a response to accusations from the exiles in Peru that the top Venezuelan military command is preparing a coup d'etat through an operation called "Gray Wolf," which would reportedly be carried out on election day.

According to this charge, chaos would be promoted in the country on election day with blackouts and reports of an alleged fraud against the winner. In view of this, the Armed Forces "would feel compelled to intervene, assuming control of the government and annulling the elections."

In political circles it is said that the military officers are "passing the ball" to one another, creating a dangerous climate of instability.

On Sunday, an EL NACIONAL newspaper commentator compared the Venezuelan situation with that of Chile in 1973. He noted that there are similarities in the role played by General Augusto Pinochet prior to the coup against Chilean President Salvador Allende and the way "certain politicians, military officers, and economic groups are acting in Venezuela."

He added that Pinochet was a man Allende trusted. Allende never thought that the Chilean general could head the coup. The commentator stressed that even the parties with the greatest democratic tradition went along with the coup either secretly or openly. He pointed out that this temptation is being experienced in Venezuela right now.

Former President Rafael Caldera, who is leading the election polls, warned that there is a maneuver "everyone can see" to prevent the elections.

However, Caldera emphasized that there will be no coup d'etat because "people will not allow it" and the Armed Forces "will not seek it."

Within this atmosphere of accusation, there is also that of a lieutenant who stole a great deal of weapons on 4 February 1992. He accused the Radical Cause Party of having the weapons.

Radical Cause candidate Andres Velasquez, who, according to the polls, also has a shot at the Presidency, noted that the only weapons his party has "are cannons to shoot votes on 5 December."

Lieutenant Colonel Hugo Chavez, leader of the 4 February coup attempt and the Revolutionary Bolivarian Movement-200 (MBR-200), denied that his group has any links with Radical Cause.

Chavez said that the defense minister is backed by "the most reactionary groups in the economic and political sectors."

Munoz Leon, who has become the most controversial cabinet minister, said that the elections are not an excuse to stop investigating subversion and announced that the Directorate of Military Intelligence has conducted 62 raids and arrested four people allegedly involved in conspiratorial activities.